FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Central Eurasia

FBIS-SOV-95-172
Wednesday
6 September 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Central Eurasia

FBIS-SOV-95-172 *6 September 1995*

CONTENTS

NOTICE: An * indicates material not previously disseminated in electronic form.

CHECHEN AFFAIRS

Politics and Nationalism

Reportage on 4th Chechen Independence Anniversary 1
Continued Disarmament Urged *[ITAR-TASS]* 1
Over 3,000 Rally in Groznyy *[INTERFAX]* 1
Chechen 'Unification' Stressed *[Moscow Radio]* 1
Khadzhiyev Seeks To Negotiate Election Day *[INTERFAX]* 1

Negotiations in Groznyy

Weapons Surrender Deadline in Groznyy Extended *[INTERFAX]* 2
Chechens Accused of Violating Military Accord *[ITAR-TASS]* 2

Effects on Chechen Community

Yeltsin: Additional Compensation to Chechen Victims *[ITAR-TASS]* 2
Mayor Has 'Little Hope' of Payment *[INTERFAX]* 3
Lobov Pledges Assistance Toward Groznyy's Problems *[INTERFAX]* 3

Military Operations

Romanov on 'Signs' of Missing Border Guards *[INTERFAX]* 3
Plight of Contract Soldiers in Chechnya Detailed *[MOSCOW NEWS 11-17 Aug]* 3

INTERREGIONAL AFFAIRS

Trans-Caucasian Parliamentary Leaders Meet *[INTERFAX]* 6
Shumeyko Expresses 'Confidence' *[ITAR-TASS]* 6
Speakers Call For Peace in Caucasus *[ITAR-TASS]* 6
Azerbaijani Speaker Attends *[TURAN]* 6
ITAR-TASS Carries Press Review for 6 Sep 7

RUSSIA INTERNATIONAL AFFAIRS

Foreign Ministry Condemns New NATO Air Strikes *[ITAR-TASS]* 8
Kozyrev Opposes Air Strikes; Appeals for Peace *[ITAR-TASS]* 8
Spokesman Praises Belgrade's Compliance With Demands *[ITAR-TASS]* 8
Country Likely To 'React' to NATO Air Strikes *[INTERFAX]* 9
Kozyrev Reaffirms, Defends Moscow's Role in Bosnia *[KOMSOMOLSKAYA PRAVDA 6 Sep]* 9
Kozyrev Will Not Attend Contact Group-ICO Meeting *[ITAR-TASS]* 10
UN Officer Disagrees With Market Bombing Report *[ITAR-TASS]* 10
Official: Western Services Provoked Serb Bombing *[ITAR-TASS]* 11
Kozyrev Meets UK's Rifkind on Bosnia Situation *[SEGODNYA 6 Sep]* 11
Rifkind 'Interested' in Moscow's Position *[Moscow ORT]* 12
Moscow, Britain Differ on Air Strikes *[ITAR-TASS]* 12
Rifkind Cuts Visit Due to Bosnia 'Events' *[Moscow ORT]* 13
Link With Air Strikes Denied *[INTERFAX]* 13

Spain's Gonzalez Arrives For Talks; Meets Leaders 13
Holds Talks With Yeltsin *[ITAR-TASS]* 13
Yeltsin Welcomes Better Commercial Ties *[ITAR-TASS]* 13
Meets Chernomyrdin on Relations *[ITAR-TASS]* 14
Kozyrev, France's De Charette Discuss Bosnia *[ITAR-TASS]* 14
Daily Views 'New Details' of Iranian Nuclear Deal *[KRASNAYA ZVEZDA 5 Sep]* 14
No Secret Nuclear Contracts Signed *[INTERFAX]* 15
Plans For Two More Reactors Noted *[ITAR-TASS]* 15
Foreign Ministry 'Regrets' French Nuclear Test *[ITAR-TASS]* 16
Press Service Seen Overstating Kohl-Yeltsin Accord *[KOMMERSANT-DAILY 5 Sep]* 16
Kohl Tries To Salvage Yeltsin's 'Piqued Vanity' *[SEGODNYA 5 Sep]* 17

RUSSIA NATIONAL AFFAIRS

Political Issues

Daily Views Yeltsin's Courting of Democrats *[ZAVTRA Aug]* 18
Yeltsin Attacks Civil Servants, Urges Reforms *[ITAR-TASS]* 19
Edict Seen Excluding Energy Ministry's Consent *[KOMMERSANT-DAILY 5 Sep]* 20
Prosecutor's Office Drops October 1993 Coup Case *[SEGODNYA 5 Sep]* 20
Filatov Calls Sociopolitical Situation 'Unwell' *[INTERFAX]* 20
Continued Pre-Election Reportage, Commentary 21
Parties Step Up Preparations *[ITAR-TASS]* 21
Intra-Bloc Frictions Highlighted *[PRAVDA 2 Sep]* 22
NDR Submits List of Candidates *[INTERFAX]* 23
Shakhray Seeks Alliance With Regions *[ITAR-TASS]* 23
Agrarians Attack Property Referendum *[ITAR-TASS]* 23
Agrarians Criticize 'Ruling Regime' *[INTERFAX]* 24
Agrarian Party Ends Congress *[INTERFAX]* 24
Rybkin's Message to Agrarian Congress *[TRUD 5 Sep]* 25
More on Agrarian's Expulsion of Rybkin *[SOVETSKAYA ROSSIYA 5 Sep]* 25
YABloko Debates Election Race *[ITAR-TASS]* 26
Boldyrev-YABloko Split Assessed *[KOMMERSANT-DAILY 5 Sep]* 27
Trade Unions, Agrarians To Cooperate *[INTERFAX]* 28
Unionists, Industrialists Form Bloc *[TRUD 6 Sep]* 28
Further on Unionists, Industrialists *[INTERFAX]* 29
Workers' Party Defines Objectives *[ITAR-TASS]* 29
Workers' Economic Program Reviewed *[SEGODNYA 5 Sep]* 30
Free Trade Unions Bloc Formed *[INTERFAX]* 31
Free Trade Bloc Names Candidates *[INTERFAX]* 31
Union of Muslims Holds Congress *[ITAR-TASS]* 31
'Vybory' System Not To Be Used in Elections *[SEGODNYA 6 Sep]* 32

Military, Nuclear & Space Issues

Strategic Missile Staff Chief Interviewed *[KRASNAYA ZVEZDA 2 Sep]* 33
Further on Test Launch of New-Generation ICBM *[ITAR-TASS]* 35
Defense Workers Protest Wage Delays at Ceremonies *[ITAR-TASS]* 35
Nuclear Weapons-Derived Uranium Exported to U.S. *[ITAR-TASS]* 35
Launcher Systems Exhibited at Aerospace Show *[Moscow RTV]* 36

Regional Affairs

Moroz Opening Address to Parliament Session *[Kiev International]* 57
Left, Right Promise Authorities 'Hot Political Fall' *[SEGODNYA 5 Sep]* 59
UNSO Leader Calls UNA Disbandment 'Unlawful' *[DEMOKRATYCHNA UKRAYINA 2 Sep]* 60
Ukrainian Ultranationalists Announce Expansion Plans *[ITAR-TASS]* 61
Official Views Corruption, Crime, Reform *[VSEUKRAINSKIYE VEDOMOSTI 23 Aug]* 61
Crimean Parliament Speaker Defends Crimean Premier *[UNIAN]* 64
President Kuchma Meets Officials in Crimea *[HOLOS UKRAYINY 2 Sep]* 65
Kuchma Meets Sevastopol Administration Head *[Kiev TV]* 65
Deputy Prime Minister Explains Monetary Policy *[HALYCHYNA 24 Aug]* 66
Bank Appointed Agent for Credit Guarantees *[IZVESTIYA]* 68
Ministry Responsible For Nuclear Accident Warnings *[Kiev International]* 69

Economic Issues

Official Outlines Energy-Saving Program *[UKRAYINA MOLODA 29 Aug]* 69
Presidential Edict on Land Shares *[GOLOS UKRAINY 12 Aug]* 71
Agriculture Minister on Job, Reform, Tasks *[HOLOS UKRAYINY 31 Aug]* 71
Crimea Wants To Discuss Privatization Plans With Kiev *[INTELNEWS]* 75
Kharkov City Head on Economic Development Prospects *[VREMYA 22 Aug]* 75

WESTERN REGION

Belarus

Hryb Questions Possibility of Unification *[ITAR-TASS]* 77
Speaker Criticizes President, Government *[INTERFAX]* 77
TU Federation Holds Plenum, Appeals to Lukashenka *[Minsk Radio]* 77
Trade Union Leader Holds News Conference *[BELAPAN]* 77
Banks To Merge; State Will Retain Controlling Share *[IZVESTIYA]* 78
National Bank Chairman Views Economic Reform *[BELORUSKAYA DELOVAYA GAZETA 28 Aug]* 78

Moldova

PDAM Holds Extraordinary Congress on Economic Issues *[BASAPRESS]* 80
Calls For Referendum on Language Name *[INFOTAG]* 81
PDAM's Popusoi Views Party's Congress *[BASAPRESS]* 81
Olaru on Cooperation With Other Parties *[BASAPRESS]* 82
Motpan Outlines PDAM's Tasks *[INFOTAG]* 82
Departure of 11 Deputies Criticized *[INFOTAG]* 83
Sangheli Defends Government's Record *[INFOTAG]* 83

CENTRAL ASIA

Kazakhstan

Social Situation, Nazarbayev Power Viewed *[MOSKOVSKIY KOMSOMOLETS 24 Aug]* 85
Rumors About Kazhegeldin, Cabinet Persist *[NOVOYE POKOLENIYE 26 Aug]* 88
Reasons For Chernyshev Beating Sought *[PRAVDA 29 Aug]* 90
Status of Labor Market First Half of 1995 *[DELOVAYA NEDELYA 25 Aug]* 90

Kyrgyzstan

Akayev Ready To Support Japanese Businesses *[INTERFAX]* 91

Uzbekistan

Chernomyrdin Backs Nuclear Reactors' Construction *[ITAR-TASS]* 36
Grachev on Army Strength During Pacific Navy Tour *[INTERFAX]* 36
Decorates Marines in Vladivostok *[KRASNAYA ZVEZDA 5 Sep]* 37
Grachev Visits Novgorod Stealth-Capable Radar Plant *[Moscow RTV]* 37
Pacific Fleet 'Completely Cash Starved' *[Moscow RTV]* 38
Moscow Leadership Wants Strong Northern Borders *[ITAR-TASS]* 38
Lack of Public Interest in Politics Observed *[VECHERNIY NOVOSIBIRSK 28 Aug]* 38
Communist Poll Against Nikolayev's Term Extension *[SEGODNYA 5 Sep]* 38
Strakhov's Campaign Manager Burbulis Interviewed *[ARGUMENTY I FAKTY Aug]* 39
Sverdlovsk Campaign Costs Tabulated *[ARGUMENTY I FAKTY Aug]* 40
Bolshevik Party Faces Schism in St. Petersburg *[St. Petersburg TV]* 40
Dagestan Communist Plenum Nominates Candidates *[SEVERNYY KAVKAZ 26 Aug]* 40
Western Pollsters See Communists in the Lead *[VECHERNIY NOVOSIBIRSK 17 Aug]* 41
Kabardino-Balkar Agrarians Prepare for Campaign *[KABARDINO-BALKARSKAYA PRAVDA 29 Aug]* 42
Economic Indicators Examined in Irkutsk *[VOSTOCHNO-SIBIRSKAYA PRAVDA 17 Aug]* 42
Tula Firms Probed, Found To Pay Protection Money *[ROSSIYSKAYA GAZETA 2 Sep]* 43

Economic Issues

Yeltsin Decree on Shares To Boost Federal Budget *[INTERFAX]* 44
Chubays Cited on Privatization Revenue Expectations *[INTERFAX]* 44
Soskovets: GDP Drops 4 Percent Through June *[INTERFAX]* 45
Gold Producers Claim Exchange Rate Ruining Industry *[INTERFAX]* 45
Central Bank To Revoke 80 Banking Licences *[INTERFAX]* 45
RBRD's 'Asset-Padding' Enjoys High-Level Support *[KOMMERSANT-DAILY 5 Sep]* 46
RBRD Bank 'On Brink of Failure;' Background Viewed *[ROSSIYSKIYE VESTI 2 Sep]* 47
IZVESTIYA Views Pension Fund Abuses *[1 Sep]* 47
Gazprom Chief Vyakhirev Rebuts Critics *[KOMSOMOLSKAYA PRAVDA 31 Aug]* 49
Energy Ministry Considers Oil Pipeline to Greece *[INTERFAX]* 51
Komineft Oil Issues Promissory Notes To Settle Debt *[KOMMERSANT-DAILY 5 Sep]* 52
Railway Ministry Discusses Half Year Performance *[ROSSIYSKAYA GAZETA 31 Aug]* 52
Agrarian Party Issues Harvest Statement *[INTERFAX]* 52

UKRAINE

International Affairs

G7, EU Meeting Proposed To Discuss Chernobyl *[Kiev International]* 54
Ukraine Seeks To Strengthen Relations With Israel *[ITAR-TASS]* 54
Official on Upcoming Rabin Visit, Iran *[INTELNEW]* 54
Kuchma, UK's Rifkind Discuss Chernobyl, Bosnia *[Kiev TV]* 54
Kiev, Moscow Policies on Bosnia Contrasted *[HOLOS UKRAYINY 1 Sep]* 55
Changing Role of Peacekeepers in Croatia Viewed *[KIYEVSKIYE VEDOMOSTI 1 Sep]* 56
Commission Head: Serbs Should 'Kick Out' Peacemakers *[Kiev TV]* 57
Udovenko: Division of Fleet Must Be Speeded Up *[Kiev International]* 57

National Affairs

OSCE Experts Arrive in Tashkent *[ITAR-TASS]* 92
'Readiness' To Expand Iran Relations Voiced *[Tehran IRNA]* 92

CAUCASUS

Armenia

OSCE Group Visits To Prepare Karabakh Monitoring Mission *[SNARK]* 93
Ter-Petrosyan Talks With OSCE Officials *[INTERFAX]* 93
Bagratyan, Iranian Envoy Discuss Velayati Visit *[NOYAN TAPAN]* 93

Azerbaijan

Defense Ministry Statement on Armenian 'Provocation' *[TURAN]* 94
Ministry Refutes Claim of Visit by Israeli Agents *[TURAN]* 94
Communist Party Appeals Dissolution Decision *[INTERFAX]* 94
Officials Brief Sumgait Development Scheme *[ZERKALO 26 Aug]* 95

Georgia

Shevardnadze on 'Transport Corridor' to Uzbekistan *[INTERFAX]* 95
Shevardnadze on Elections, Abkhaz Settlement *[INTERFAX]* 96
Electoral Race Begins in Tbilisi 5 Sep *[ITAR-TASS]* 96
Mkhedrioni Leader Ready To Run for Presidency *[INTERFAX]* 97
Security Chief Denies Service Disobeying Shevardnadze *[ITAR-TASS]* 97
Security Tightened Around Shevardnadze *[ITAR-TASS]* 97

BALTIC STATES

Estonia

Luxembourg Foreign Minister Arrives on Visit *[Tallinn Radio]* 98
Vahi Wants Increased Defense Expenditure *[Tallinn Radio]* 98
Vahi: Estonia Does Not Want Nuclear Weapons *[INTERFAX]* 98

Latvia

Luxembourg Foreign Minister Poos on 2-Day Visit *[LETA]* 98
Foreign Ministers Discuss Cooperation *[Riga Radio]* 98
Poos Says Latvia Not Ready To Join EU *[Riga Radio]* 99
Danish Officials Discuss Military Cooperation *[Riga Radio]* 99
Talks With Canadian Foreign Minister Detailed *[LETA]* 99
Security Council Discusses Participation in PFP *[Riga Radio]* 100

Lithuania

Brazauskas: Relations With Russia Are Normal *[ITAR-TASS]* 100
Defense Minister Cited on Cooperative Defense *[Vilnius Radio]* 101
Christian Democrats, Conservatives To Cooperate *[Vilnius Radio]* 101

Politics and Nationalism

Reportage on 4th Chechen Independence Anniversary

Continued Disarmament Urged

LD0509172595 Moscow ITAR-TASS in English 1606 GMT 5 Sep 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW September 5 (ITAR-TASS) — The Russian Nationalities Minister, who was also the chief negotiator at Chechen peace talks, urged the Chechens to refrain from any attempts to destabilise the situation on the 4th anniversary of the proclamation of Chechen independence on Wednesday [6 September] and suggested that the militants should better hand in their weapons instead.

"Any attempt to destabilise the situation on the day of the proclamation of the republic of Ichkeria will bring nothing but grief. Any nationalistic demonstration which can be held in Chechnya on that day will testify that (separatist leader) Dzhokhar Dudayev and his supporters are not willing to fulfil the bloc of military issues and aim to disrupt it", Vyacheslav Mikhaylov told TASS Tuesday.

"The implementation of the agreement on a voluntary surrender of arms in Chechnya is the best way to mark the 4th anniversary of the proclamation of the Chechen republic of Ichkeria", he said.

"Most people, both Chechens and Russians, strive for a peaceful life, are tired of the war and do not want its continuation", Mikhaylov stressed.

Over 3,000 Rally in Groznyy

LD0609111195 Moscow INTERFAX in English 1015 GMT 6 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 6 (INTERFAX) — More than 3,000 people gathered for a rally in the center of Groznyy Wednesday to mark the 4th anniversary of "the restoration of state independence of Chechnya."

Khamad Kurbanov, the Chechen member of the special commission for observing the implementation of military agreements, greeted the demonstrators in the Chechen language on behalf of Dzhokhar Dudayev.

The meeting was also addressed by Akhyad Idigov who was introduced as "chairman of the parliament of the Chechen Republic of Ichkeria", and by Akhmed Zakayev, a member of the Chechen delegation to talks with the Russian government. Portraits of Shaykh Mansur, Imam Shamil, Dzhokhar Dudayev, Aslan Maskhadov, Usman Imayev and Shamil Basayev could be seen. The posters read: "Allah above us! Dzhokhar with us! Russia under us! Victory for us!" and "Russia, your gangs provoke the sons of Chechnya to terror!"

Chechen 'Unification' Stressed

LD0609131395 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 6 Sep 95

[FBIS Translated Text] Groznyy celebrates the so-called day of Chechnya's independence today. The holiday was introduced by Dzhokhar Dudayev four years ago, when he came to power.

[Correspondent Vadim Granin] About 5,000-7,000 people gathered outside the destroyed presidential palace for a rally. Participants approved the words of one of the speakers who said, pointing to a Russian road block: Let Oleg Lobov, envoy of the Russian president, go, and he can take his vicious and drunken dogs with him.

After that Aslan Maskhadov spoke at the rally. He spoke in Chechen and what he was saying was diligently translated for the Ekho Moskvy correspondent. Maskhadov's speech boiled down to the following: The most important thing is the unification of the Chechen people. Maskhadov said that a war with Russia is not that frightening because in a war with Russia one can fight for his people, die as a hero, and go to heaven. What would be frightening is if strife starts among the Chechens.

Vadim Granin for Ekho Moskvy from Groznyy.

Khadzhiyev Seeks To Negotiate Election Day

LD0509211495 Moscow INTERFAX in English 1549 GMT 5 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 5 (INTERFAX) — Salambek Khadzhiyev, head of the Chechen National Revival Government, told journalists in Groznyy Tuesday that he objects to postponing the election day from November 5 until after completion of disarmament. Umar Avturkhanov's National Accord Committee decided on September 1 to put off the elections.

Khadzhiyev would like November 5 to remain the scheduled election date "lest one should think that somebody does not want the elections to go ahead."

He suggests that all leading political forces, notably officials of the Dudayev regime, Ruslan Khasbulatov, Doka Zavgayev, Umar Avturkhanov and others, meet to agree the election date. Khadzhiyev said that his relations with Moscow are more strained than those with Dudayev's supporters.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In response to an INTERFAX question Khadzhiyev said that Dudayev is prepared to resort to any mean tricks for a noble cause. Khadzhiyev said that Dudayev would negotiate or deceive if this is conducive to his goals.

In Khadzhiyev opinion, it is Dudayev's mentality that led to the war. Rebuilding Chechnya after the fighting will take about 10 years, Khadzhiyev thinks.

Negotiations in Groznyy

Weapons Surrender Deadline in Groznyy Extended

LD0609110395 Moscow INTERFAX in English 1015 GMT 6 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 5 (INTERFAX) — Commandant of Chechnya General Arkadiy Baskayev told INTERFAX Tuesday that the term for surrendering the illegally kept weapons in the Chechen capital of Groznyy, had been prolonged until September 10.

Initially, weapons were to be surrendered from September 1 to 5. However, by the end of the term only 110 weapons and 300,000 [rounds of] ammunition had been handed over. Among those weapons were more than 30 guns, 60 grenade throwers and four pistols.

Earlier, General Baskayev had assured the population of Groznyy that those of them who surrendered their weapons voluntarily would not be tried. A reward was promised for every surrendered weapon.

General Baskayev had also warned that in accordance with the laws of the Russian Federation, weapons would be confiscated from the citizens who fail to hand them over within the said term.

Chechens Accused of Violating Military Accord

LD0509160895 Moscow ITAR-TASS in English 1432 GMT 5 Sep 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, September 5 (ITAR-TASS) — "A direct violation of the military accord by the Chechen side," this is how election of the local administration in Sayasan village of the Nozhay-Yurt district of Chechnya on September 4 was described by Vladimir Zorin, first deputy chief of the territorial administration of federal bodies of the executive power in Chechnya. "The elections cannot be regarded valid as their holding was an attempt to interfere in the complex matter of power in Chechnya which runs counter to the military accords signed in Groznyy on July 30, 1995," Zorin said. Sayasan has a population of some 30,000.

Zorin, who is also chief of the Russian group of political experts at the disrupted talks on the peace settlement of the crisis in Chechnya, said that because of the intermission in the work of the special observation commission, the explanation of the elections in Sayasan village can be received from the Chechen side not earlier than September 7.

The federal forces command in Chechnya believes this move is aimed at precipitating replacement of local government bodies. Major-General Pavel Maslov, representative of the command, also told ITAR-TASS on Tuesday that such elections of local government "run counter to military accords." He said such actions "destabilise the situation in Chechnya and prompt destructive forces to unlawful actions."

The federal forces command said it expects "explanations and constructive measures from Chechen representatives in the special observation commission to put a stop to such actions." Maslov said the command "is not going to connive at the attempts to use the accords as an instrument to grant someone's political ambitions running counter to the interests of stability and peace in Chechnya, to unity and integrity of Russia."

Effects on Chechen Community

Yeltsin: Additional Compensation to Chechen Victims

LD0609100495 Moscow ITAR-TASS in English 0900 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW September 6 (ITAR-TASS) — President Boris Yeltsin signed a decree ordering "additional compensations to people who suffered as a result of solving the crisis in the Chechen republic", his press service announced Wednesday [6 September].

The decree, made public on the day when Chechen separatists mark the 4th anniversary of independence from Russia which Moscow never recognised, said all those who suffered in Chechnya should receive compensations worth 20 minimal wages, while the families of those killed — 200 minimal wages.

The minimal wage is 55,000 roubles or 12 USD in Russia.

Compensations will be paid also to those who sustained material damage and lost their homes.

All previously envisaged compensations remained valid, the decree said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mayor Has 'Little Hope' of Payment

LD0609111395 Moscow INTERFAX in English 1015 GMT 6 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 6 (INTERFAX) — Groznyy Mayor Bislan Gantamirov told INTERFAX and the Novosti Russian news agency Tuesday night in Groznyy that the fulfillment of Yeltsin's decree "On additional compensations to victims of Chechen conflict settlement" would bring the Russian President "at least 60-70% of Chechen votes in the presidential elections."

Today Boris Yeltsin would not "gain even 1% of votes in Chechnya," he added.

The decree, which was signed by Yeltsin on September 5 and entered into force on the same day, provides for one-time material aid to the conflict victims at an amount of 20 minimum salaries, families of persons killed in Chechnya will receive 200 minimum salaries. All of them will have other guarantees ensured by the Russian laws. Compensations will also be paid to persons whose property, including housing, was damaged.

"If the compensations are really paid, and I do not allow to steal this money, I, as the Groznyy Mayor, may become a symbol of Groznyy forever," said Gantamirov.

"Honestly, I have little hope this money will be paid," said the Mayor referring to his experience.

Lobov Pledges Assistance Toward Groznyy's Problems

LD0609111495 Moscow INTERFAX in English 1015 GMT 6 Sep 95

[FBIS Transcribed Text] GROZNYY, Sept 6 (INTERFAX) — The Russian president's representative in the Chechen Republic Oleg Lobov told a conference attended by Mayor of Groznyy Bislan Gantamirov that he would assist in tackling the most serious problems facing the city, firstly the financing of housing construction.

Gantamirov told reporters Tuesday that during the conference which lasted for about two hours, Lobov "stated that he would ensure the repayment of the entire federal debt of about 150 billion rubles to the city."

He also announced that Lobov had supported the proposal, made by Groznyy's mayoralty and approved by the local branch of the federal executive authorities, on making allocations to the city administration that would allow it to buy out about 7,000 apartments from the residents who are planning to leave the city, or who have three or four apartments, and place them at the disposal of the homeless.

Given the current price of 300,000 to 1 million rubles for one square meter of floor space, this will require 300 Bn-400 Bn rubles, he went on to say. The project would help provide almost half of the about 70,000 homeless people with housing, said Gantamirov.

In his turn, Lobov proposed that the city administration order the construction of a new residential area with about 10,000 apartments. Gantamirov believes that the construction may last for some 18 months. "The project would solve the housing problem for the entire population of Groznyy," he said.

Lobov also promised to provide allocations for clearing the city of the rubble and wastes, so epidemics might be prevented.

"If all of these plans are fulfilled and the population of Groznyy feels the care of the Russian government and local authorities, the psychological crisis will be overcome," said Gantamirov.

Military Operations

Romanov on 'Signs' of Missing Border Guards

LD0509204195 Moscow INTERFAX in English 1942 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — Russian Troop Commander Anatoliy Romanov told INTERFAX Tuesday [5 September] of positive signs in the search for five missing border guards. At the same time, he said "it is too early to discuss it."

The border guards were taken hostage by a Chechen rebel group in the Botlikhskiy district of Dagestan about two weeks ago.

According to information available to INTERFAX, the rebels have killed one and wounded two of them as they tried to escape.

The rebels are still holding another four Russian border guards with Lieutenant Colonel Aleksandr Novozhilov near the Chechen village of Shatoy.

Plight of Contract Soldiers in Chechnya Detailed

954F3292A Moscow MOSCOW NEWS in English No. 31, 11-17 Aug 95 p 3

[Article by Alexander Zhilin and Dmitry Ukhlin: "Contract Soldiers in Chechnya Regret Their Pledges;" first paragraph is MOSCOW NEWS introduction]

[FBIS Transcribed Text] The soldiers now under contract in Chechnya are dissatisfied with the extreme in-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

equities of their commanders and feel threatened with being "written off as war casualties."

According to the official Defense Ministry version, soldiers are recruited for the war in Chechnya in order to restrict the use of raw and untrained draftees in hostilities. In December 1994 Defense Ministry recruiting agents launched a recruiting campaign. Now that the war is somewhat ending, the day of payment has come. Pavel Grachev, however, seems reluctant to pay off the volunteers for hard, dangerous and dirty work.

Contract-soldiers Albert Ivanov (military unit 21555) and Konstantin Kucheryavenko (military unit 22033) returned last week from Chechnya and came straight from the railway station to MN. Below is their story of the relationships between commanders and their subordinates in the Defense Ministry troops.

Albert hails from Smolensk, Konstantin is from Lipetsk. They went to the Chechen war out of financial considerations — there is no money to support their families. Albert reported to the military registration and enlistment office in December and expressed the desire to "fight for about three months." Approximately at the same time Konstantin was recruited in his local military unit.

"There were all sorts of talks. They promised to transfer to the families 5 million rubles for three months, plus triple travelling allowances, 30,000 per day, and additionally, all sorts of increments..." Contracts were drawn up in Nizhniy Novgorod, although under the law they had to be concluded directly with the commander of the unit in which they were to serve. With Konstantin and Albert worked a certain "representative" who disposed of not filled-in documents signed by the commander of the motorized rifle division. "We were assured that the families would receive the money. The contract mentioned the address to which it would be sent. But during our stay in Chechnya our families did not receive a penny. The contracts mentioned no amount, just that the payment would be carried out 'on the basis of the law.' Before departure we were given advance money of 100,000 rubles each. In Chechnya we were scattered to battalions and then to companies. We were in Starye Atagi, Alkhazurovo. The bulk of the time we were stationed not far from Goita. Immediately upon our arrival we received fatigues, tan boots, a helmet, cap, poncho, rucksack, mess kit and flask. We were given the weapon directly in the company.

"Then we took several combat classes. After that military idiocy started. When the commanders would arrive, all are compelled to put on their helmets and bullet-proof vests, and all this in a heat of 40 degrees Centigrade. The vests are outdated and in them it is impossible to walk, let alone fight. Besides, these vests actually heighten the danger. If a bullet pierces your lung or some other organ nothing terrible happens and one can survive. But if you wear the vest, the dynamic strike of the bullet turns all of your internal organs into a jumble and there is no chance of survival.

"We asked all the time, 'When will you give us fatigues and sleeping-bags, as you said you would?' They said that when those serving for a definite call-up period were discharged we could take theirs. We didn't see them so we slept in the dirt. They never changed our linen, saying that the laundry train had been blown up by the Chechens. Only from time to time were we given foot-cloths. We built ourselves baths at check-points. Even officers came running to have a bath. It became quite normal.

"As for food, there was much to be desired. In the initial period we were given stewed meat, eggs and biscuits. Then there was less and less. Finally we passed to sprats and nothing more. We exchanged it with Chechens for some other food. Later the administrative staff began supplying us with tinned food pierced with nails so that we could not exchange them for vodka. This did not help to overcome hard drinking, however, because it was no problem to get vodka in Chechnya. But during the day all of our rations became worthless in the heat and we had to somehow make both ends meets.

"Do you know what soldiers use to buy vodka in Chechnya? Not stinking cheap canned food which the Chechens do not want even for free, but ammunition and fuel. Two zinc boxes of cartridges, with more then 2,000 submachine gun rounds goes for five bottles of vodka. A twenty-liter can of diesel-oil goes for two bottles. Butter costs more.

"Weapons are also sold but it is rare among soldiers — you can't sell your own sub-machine gun, only the ammunition. But among officers it is different. We were fed up with all of this and caught one officer on the spot and took him to the headquarters. But this case was naturally hushed up and he was simply sent back to Tver.

"The Chechen war is strange. Earlier all the commanders were banned from contacting the Chechens. Now officers maintain close contacts with the natives. Certain team leaders come to the unit, whisper with commanders and supply them with vodka. All of the officers of our unit became inveterate drunkards. It is time to take them all to sobering stations. In the morning a tractor drives up to the officers' dugout and commanders with blue noses, half-dead, crawl out of them like mummies. Chechens give them vodka, cucumbers, tomatoes, garlic and blini (pancakes). They take all of this and dive back

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

into the dug-out. And we, like hungry rats, roam around and smell. Then, after taking a drink the morning after, they come into the light and immediately address one of the soldiers, 'Well, old man, start your vehicle and off we go.' Then they go to visit the Chechens in an armored personnel carrier for a shashlik. During the night they shoot at one another. We too go to the village but never meet the gunmen. We want our boys to get out of Chechnya. They got there just like ourselves. They signed similar contracts and cannot annul them. What the commanders did to us cannot be compensated with any amount of money.

"Under the law, a contract may be broken off at any time. My contract expired, but all the same, I was delayed for eight days. Then it turned out that each month I was entitled to 10 days of leave. 'Don't worry,' said the deputy-commander for political work. 'Just think as if you were on leave; we have marked you as having served till August 13 inclusive.'

"When the time comes, no one is allowed to leave. You write a report, it is returned to you with the statement: 'Brigade Commander Mukhin has ordered that no one is to be discharged on the completion of the contract. In general, your contracts for three months are illegal. One can conclude an agreement only for three years, so go and form up.' Those who go on insisting, said Mukhin, let them write reports that they want to get their discharge 'on the non-observance of the contract.' It means no payment for three months of war. We have served here from the first to the last day, all three months. What haven't we observed? Company commander and Senior Lieutenant Kochetkov said that Mukhin's order reads: 'those who do not want to write such reports will sit in Chechnya and rot, unless they write or croak.' They started compelling us to write reports that we are breaking off the contract ourselves. They did so with the second battalion. But Mukhin could not cope with us. Then reports were written for us and on our behalf by the deputy-commander for political work and other officers. They signed with our names. The conclusion: discharged 'on the non-observance of the contract.' No money is due and that's the end of it. At least we managed to break away from this hell. Our friends are still waiting there to be written off as war casualties. Save them!"

The Defense Ministry treats soldiers who have signed contracts just like swindlers treat trustful clients. The second copies of the contracts are withdrawn under the guise of "secrecy" and safe keeping in personal records. Having no documents in their hands, the volunteers cannot prove anything. As it turns out, they are like slaves with whom commanders can do anything they like."

We wonder who receives the money due to these soldiers of fortune?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Trans-Caucasian Parliamentary Leaders Meet

LD0509152495 Moscow INTERFAX in English 1238 GMT 5 Sep 95

[FBIS Transcribed Text] ST. PETERSBURG, Sept 5 (INTERFAX) — The leaders of Trans-Caucasian parliaments met Tuesday in St. Petersburg, where the CIS Inter-Parliamentary Assembly is headquartered, for a working conference on peace and stability in the Caucasus.

The conference was attended by the chairmen of the parliaments of Azerbaijan Rasul Guliyev, Armenia — Babken Ararktsyan, and Georgia — Vakhtang Goguadze; the coordinator of the peacekeeping operations in Karabakh and chairman of the parliament of Kyrgyzstan Almambet Matubraimov, and chairman of the CIS Inter-Parliamentary Assembly and Russia's Federation Council Speaker Vladimir Shumeyko. Shumeyko told reporters in St. Petersburg's airport Pulkovo earlier on the same day, that the current conference was a prelude "to a larger conference on the Caucasus which is likely to be convened by President Yeltsin at the end of September."

The forthcoming conference is expected to be attended not only by the leaders of the Trans-Caucasian states, but also by the leaders of Russia's other constituent members located in the Caucasus.

Shumeyko Expresses 'Confidence'

LD0609094395 Moscow ITAR-TASS in English 0749 GMT 6 Sep 95

[By Ludmila Yermakova]

[FBIS Transcribed Text] ST. PETERSBURG, September 6 (ITAR-TASS) — The working meeting of parliamentary leaders of the Caucasian republics and Russia will continue its work today at the headquarters of the CIS Interparliamentary Assembly (IA). A concluding document on resolving the situation in the region should be approved at the forum.

In an interview with ITAR-TASS, Chairman of the IA and Speaker of the Russian Federation Council Vladimir Shumeyko expressed confidence that only wording in the preamble, on which no consensus could be reached during many hour-long discussions, will be finally approved. It concerns the interpretation of separatism.

According to Shumeyko, the parliamentarians "have taken upon themselves the task of laying a general political and moral foundation for resolving all the four conflicts in the Caucasus — Nagorno-Karabakh, Georgia-Abkhazia, Georgia-Ossetia and Chechnya, even though it is almost beyond their strength". It is extremely important on the threshold of the upcoming major peace conference on the Caucasus, in which the President of Russia and heads of the Caucasian states will participate, he said.

In Shumeyko's opinion, the main task of the meeting in St. Petersburg is to show that there are no differences in understanding the problem and approaches to its resolution among the lawmakers and the heads of state. Despite the differences in the origin and causes of the current conflicts in the Caucasus, they should be resolved by peaceful means, he said.

Vladimir Shumeyko especially emphasized that notwithstanding certain differences, none of the participants in the meeting cast doubts on the necessity of approving a number of documents on stabilization of the situation approved earlier, including the Bishkek protocol, which clinched ceasefire in Nagorno-Karabakh.

Speakers Call For Peace in Caucasus

LD0609104995 Moscow ITAR-TASS in English 1031 GMT 6 Sep 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] ST. PETERSBURG, September 6 (ITAR-TASS) — The speakers of the parliaments of Azerbaijan, Armenia, Georgia, Kyrgyzstan, and Russia on Wednesday adopted a statement appealing for peace and stability in the Caucasus.

The speakers met in the Headquarters of the Interparliamentary Assembly of the countries of the Commonwealth of Independent States.

The participants' major task was to "give a political and moral assessment of military conflicts in the Caucasus, no matter how different their origins, and offer their plans on how the problem can be solved," chairman of the Interparliamentary Assembly and the Federation Council Vladimir Shumeyko said.

Shumeyko emphasised the importance of the step taken by heads of the legislative power ahead of a peace conference of heads of states on the Caucasus.

He expressed hope that the reached agreement "will mark another, maybe the last step on the way towards a solution to the problem and a settlement to the situation in the region on a high level."

Azerbaijani Speaker Attends

NC0509205495 Baku TURAN in English 1400 GMT 5 Sep 95

[FBIS Transcribed Text] Baku/05.09.95/TURAN — Today a working meeting of the heads of the parliaments

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the Caucasian countries and Russia takes place in St.Petersburg.

This meeting will be held within the frameworks of Interparliamentary Assembly of the CIS at the initiative of the Chairman of the Council of Interparliamentary Assembly of the CIS, Chairman of the Council of Federation of Russia Vladimir Shumeyko.

According to Russian diplomats the problems of strengthening of peace and the stability in the Caucasus will be discussed at the meeting. The leaders of the parliaments of Russia, Azerbaijan, Armenia and Georgia will sign a joint document. Yesterday Azeri Parliamentary delegation Headed by the speaker of the Milli Mejlis Rasul Guliyev has left Baku for St. Petersburg. The People's Deputies and experts enter the delegation.

ITAR-TASS Carries Press Review for 6 Sep

LD0609060295 Moscow ITAR-TASS in English 0452 GMT 6 Sep 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, September 6 (ITAR-TASS) — Today's newspapers highlight developments in Chechnya. On Tuesday, September 5, a deadline set for the disarmament of Chechen militants and voluntary surrender of weapons expired as envisaged in a military accord.

In this connection, "ROSSIYSKAYA GAZETA" writes that "The results of the disarmament are less than modest: according to preliminary estimates, over 1,000 guns out of 80,000 shooting rifles available in Chechnya have been surrendered." "Under the pretext of fulfilling the military accord, Dudayev's armed gangs are, in fact, being legalized in the eyes of the Chechen people by means of creating home guards who, in reality, seized power in a number of regions," the newspaper said.

"IZVESTIYA" published an article entitled: "Not all Chechen agree to go to the polls without guns". The newspaper says that "the situation in Chechnya has become utterly confusing. Russian generals themselves describe the results of the disarmament as "Zero" and the formula of an all for-all exchange of POWS seems to be a mere declaration. Nevertheless, against the background of slow implementation of the military accord the issue of elections and a definition of Chechnya's political status is increasingly coming to the fore," the newspaper said. It expressed the opinion that if the elections are successfully held in Chechnya, Moscow has no guarantees that a newly elected parliament will not ask for sovereignty which might be close to separation.

"ROSSIYSKIYE VESTI" carries an article entitled "Up the hierarchy of power," commenting on a balance on interests of the subjects of the Federation and the Centre." The issue of the relationship between the Federal Centre and regions is extremely complicated and diverse. Bit it is apparent that a principle of preserving the integrity of a system of management in Russia remains a necessity for the construction of the Russian state in any form... General elections of regional heads which seem to be inevitable in Russia will call into question the principles of maintaining the hierarchy of the Federal power from top to bottom," the newspaper said.

"KOMSOMOLSKAYA PRAVDA" carries an interview with Russian Foreign Minister Andrey Kozyrev. The Russian minister commented the activities of Russian diplomats in the settlement of the Bosnian crisis and intermediate results of court hearings into a dispute between Kozyrev and LDP leader Vladimir Zhirinovskiy.

Newspapers comment on a resolution passed by Russia's general prosecutor's office, which says that "both sides are to blame for the tragic developments in Moscow on October 3-4, 1993. In this connection, "KOMSOMOLSKAYA PRAVDA" writes that" once everyone is to blame, no one is to blame in particular". This sounds horrible to our memory of those who fell victim to political gambling by immoral politicians in 1993."

"PRAVDA" says that this should not and cannot be in any normal law-governed state.

The "RED STAR" daily comments on a visit to the Far East by Russian Defence Minister Pavel Grachev.In a statement addressed to servicemen Grachev touched upon the problem of military reform in the army. The newspaper quoted Grachev as saying that "the process of the army reduction is an integral part of the military reform, whose second target is the creation of new troops formations and the third one is the withdrawal of troops from territories of other states."

"MOYA GAZETA" weekly carries an article by Andrannik Migranyan which is devoted to relations between Russia and Slovakia. "While Russia is encountering serious problems, searching for its place and new role both abroad and in the "near abroad" Slovakia is prepared to strengthen its economic, military, political and cultural ties with Russia," the weekly said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Foreign Ministry Condemns New NATO Air Strikes

LD0509184895 Moscow ITAR-TASS World Service in Russian 1701 GMT 5 Sep 95

[By unidentified ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 5 Sep (ITAR-TASS) — Russia's Foreign Ministry has resolutely denounced today's renewal of NATO's air strikes against the Bosnian Serbs and demanded that they be stopped. The statement of the Russian Federation Foreign Ministry received by ITAR-TASS this evening says:

"NATO air strikes against the Bosnian Serbs were resumed today on the formal pretext that the latter were not complying with the conditions of the ultimatum. The reasons are clearly groundless: The leadership of the Bosnian Serbs gave a detailed positive answer to the NATO demands and embarked on practical measures to ensure freedom of movement in the area of Sarajevo and to prepare their heavy armaments for withdrawal outside this zone.

"Over the past few days the Bosnian Serbs have not attempted any military actions, even though the Muslims were constantly provoking them, acting under NATO cover.

"There is no other logic behind the NATO actions, but a punitive one. The further involvement of the alliance in the conflict on one side in order to inflict defeat on the Bosnian Serbs is obvious. This goal will not be achieved. The NATO action will result in the conflict's becoming protracted and deeper.

"We resolutely denounce NATO's military actions and demand that they be stopped. Instead of the logic of force, what is needed is an intensification of the political process through all interested states pooling all their efforts. A plan for such actions is in President Boris Yeltsin's statement of 10 August."

Kozyrev Opposes Air Strikes; Appeals for Peace

LD0509132595 Moscow ITAR-TASS World Service in Russian 1235 GMT 5 Sep 95

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[FBIS Translated Text] Moscow, 5 Sep (ITAR-TASS) — Russia is against NATO continuing its policy of air strikes in Bosnia and is appealing to its Western partners to join their efforts in the peace process. This is how Russian Foreign Minister Andrey Kozyrev summed up Moscow's stance during the talks with his British counterpart Malcolm Rifkind, who is in Moscow for a working visit.

"President Boris Yeltsin clearly stated that we are against NATO's policy of airstrikes, which, in our view, exceeds the UN mandate and we demand that this policy be stopped," Kozyrev said after the talks. He expressed the hope that the important achievement of the peace process would not be undermined, and recalled that prior to the beginning of NATO's air strikes Bosnian Serbs had declared their readiness to form a joint delegation with Belgrade at the talks.

Andrey Kozyrev believes that it is of great significance that both Russia and Great Britain "agree that there is no military solution either inside or around Bosnia in former Yugoslavia." The Contact Group which is made up of Russia, the United States, and Great Britain has a special role to play in resolving the crisis through political means. The idea is to promote the initiatives jointly formulated within its framework. Andrey Kozyrev said that Moscow is at present considering how to increase its participation in the negotiation process and it is possible that First Deputy Foreign Minister Igor Ivanov will directly participate in this work. The head of the Russian Federation Foreign Ministry praised the active participation of the United States in the search for political solutions, such as U.S. diplomat Richard Holbrooke's mission, as well as the positive input brought by former Swedish Prime Minister Karl Bildt on behalf of the EC countries. "We must join our efforts in order to reach a peaceful solution and no one must claim monopoly in this peace race," he said.

"Only joint efforts by all the major international participants, and especially by the Contact Group can lead to the desired effect and to the conclusion of the process, just as it was suggested by president Yeltsin at the conference attended by the Contact Group member-states and by the conflicting sides. I think that this is where it will all go through our joint efforts," Kozyrev said.

Spokesman Praises Belgrade's Compliance With Demands

LD0509131295 Moscow ITAR-TASS in English 1300 GMT 5 Sep 95

[By Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, September 5 (Itar-Tass) — The constructive policy of the Serb leadership is called to play an increasingly greater role in the settlement of the Balkan crisis, Mikhail Demurin, Russian Foreign Ministry spokesman, told a briefing today.

He said Belgrade honestly complied with demands of the world community and actively sought to motivate the hostile parties for peace in the region.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This stance of Belgrade should be actively encouraged by the world community in order a generally acceptable settlement is reached.

With this in mind, Russia intends to insist that its partners in the five-nation Contact Group and the U.N. take joint decisions to lift the sanctions on Yugoslavia and simplify humanitarian procedures, Demurin said.

Country Likely To 'React' to NATO Air Strikes

LD0509200395 Moscow INTERFAX in English 1940 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (Interfax) — Russia is highly likely to raise with the U.N. the issue of NATO air power's renewing air strikes on Bosnian Serb positions Tuesday.

When asked if Russia would react to NATO's new air strikes, Director of the Russian Foreign Ministry's Department for International Organizations Aleksandr Gorelik told Interfax: "I have a feeling that we will react."

Gorelik said Moscow was currently examining all aspects of the situation and was considering its position regarding the events.

Well-informed sources told Interfax that the Russian Foreign Ministry was expected to deliver a statement in the next few hours concerning NATO's recent actions in Bosnia.

Kozyrev Reaffirms, Defends Moscow's Role in Bosnia

MM0509193095 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Sep 95 pp 1, 3

[Interview with Foreign Minister Andrey Kozyrev by Yelena Ovcharenko; place and date not given: "On What Does Minister Kozyrev Spend His Travel Expenses?"]

[FBIS Translated Excerpt] [passage omitted] [Ovcharenko] Your opponents consider that the NATO bombing raids, carried out on the Bosnian Serbs in disregard of our country's views, cannot be described as anything other than a failure for Russian diplomacy. Are you prepared to argue with your critics?

[Kozyrev] Well, you cannot describe these bombing raids as a success. Nor would I describe them as a success for NATO or the United States. There are as yet no winners or a victorious side. But the hysterical reaction to the situation by a section of public opinion here is simply staggering. As soon as it sees NATO involvement in something or the U.S. deputy secretary of state going to the region — this means that we no longer have any presence there! It is simply suffering from an inferiority complex.

Why is it that when we go to the Balkans or Milosevic comes here, there is no such panic in America — do they say that settlement of the situation has been completely entrusted to Moscow?! A Croatian minister and the Bosnian premier have been here — we are continually contacting all the sides and putting forward plans for a settlement. What is the point of the panic when this most complex of processes is continuing? Look again at the Russian Federation president's statement, and you will see that matters are taking the course it stipulated. Is a meeting of the three republics' presidents necessary? A meeting of the "troika's" foreign ministers is being discussed now. But this is after all a step toward a meeting between the three presidents. The statement also says that it is necessary to hold an international conference. It is to this specific end that all efforts are being made, and it may take place as early as October.

A most complex process is in progress, whereby neither the West without us nor we without the West can resolve anything. Only by increasing our efforts, can we achieve a result. We are one of the leading violins in this orchestra. Everyone realizes and admits this.

So now why are NATO and the United Nations carrying out air strikes? The first reason is that UN experts, and there are no other objective observers in the conflict zone, pronounced the unequivocal verdict — whether they were right or not, I do not know — that the attack on the market in Sarajevo was carried out from Serb positions. Second, the UN command demanded that heavy weaponry be removed from these areas. This was an old demand which became more urgent in view of the attack. For when civilians perish before the eyes of the United Nations in a "safe area," the question arises as to what the "blue helmets" are doing there. Therefore, the United Nations reacts in this way, demanding that a stop be put to this. The United Nations invited in NATO. Is this a defeat for us? I do not think so. These are the methods the UN command resorts to. We express our point of view, as we consider that it was necessary to exhaust all other possibilities. We demanded that the Security Council be convened. Less than 24 hours after the bombing raids a session was held and it emerged that only we were actively opposed to them; China was also opposed to them, but not actively.... If this is a fiasco for Russia, then you can just as well say that it is also a defeat for China, although I think these terms are incorrect and simplistic. Nevertheless, all the others came out in favor of a harsh response. Not only NATO countries, but also the Czech Republic and nonaligned countries which, incidentally, called for even harsher measures. So that the mood at the United Nations was

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that "it was necessary to carry out even more bombing raids...."

Such is international public opinion, but I do not think that it should be dramatized. We have our own standpoint, but there exists a law by which the Security Council works — resolutions are adopted by a majority of members.

The Americans, for example, are in exactly the same position regarding the question of lifting the embargo on arms supplies to the Bosnian Muslims. They have submitted a draft resolution on several occasions, but it has regularly been rejected by the majority of members. So what is this — a major defeat for the United States in the world arena?

[Ovcharenko] I would describe the present situation as an offensive by U.S. diplomacy. But did not the UN leadership at least give you details of the investigation of the drama in Sarajevo under conditions of the greatest secrecy? Did it not indicate the place from which the Serbs allegedly fired the mortar?

[Kozyrev] There is an official UN finding: The bombardment was carried out from the Bosnian Serbs' positions. High-ranking official UN representatives unanimously confirm this. Right from the outset, we expressed our support in the Security Council for an investigation of this tragedy. This remains our position — we are fighting for additional investigations to be carried out. Unfortunately — and I once more draw your attention to this — the majority of Security Council members did not support us so that we were unsuccessful in getting a decision about such an investigation passed. But it remains a fact that the world has been forced to reckon with the UN leadership's official standpoint. It is like a court. [passage omitted]

Kozyrev Will Not Attend Contact Group-ICO Meeting

LD0509144895 Moscow ITAR-TASS in English 1434 GMT 5 Sep 95

[By Andrey Suprun]

[FBIS Transcribed Text] MOSCOW September 5 (Itar-Tass) — Russian Foreign Minister Andrey Kozyerv does not plan to attend the joint meeting of the international Contact group on the former Yugoslavia with representatives of the Organisation of Islamic Conference which is scheduled for Thursday in Paris, according to Foreign Ministry spokesman Mikhail Demurin.

He told TASS Tuesday, that, "as it is known so far, the meeting is to take place at the level of political directors".

However, Demurin added that "as far as a possible meeting of foreign ministers of Contact group member-states is concerned, the participation of the head of the Russian Foreign ministry should be expected if such a meeting takes place".

UN Officer Disagrees With Market Bombing Report

LD0409135495 Moscow ITAR-TASS World Service in Russian 1148 GMT 4 Sep 95

[By ITAR-TASS correspondent Andrey Naryshkin]

[FBIS Translated Text] Zagreb, 4 Sep (ITAR-TASS) — Colonel Andrey Demurenko, head of the UN's Sarajevo sector, is demanding that an international commission be created for a new investigation into the tragedy at Markale market. He believes that the UN commission's report, which led to the massive NATO and Rapid Reaction Force strikes against the Bosnian Serbs, is full of inaccuracies and omissions and he is willing to hand over his own findings to a panel of experts.

Late last week, Demurenko examined and photographed the places from which, according to the United Nations, the mortar round could have been fired towards the market, near Marshal Tito Street. These places, incidentally, conflict with each other. The discrepancy appeared just a few hours after the tragedy. A report by a "blue helmet" specialist indicated one trajectory for the mortar round. However, an official UN spokesman told a media briefing shortly afterwards of an entirely different trajectory. Demurenko decided to examine both of these conflicting scenarios.

The Russian officer knows well the performance parameters of a mortar and is experienced in ballistics. He identified six hypothetical locations from which, according to UN data, the fateful round could have been fired. Four were in Serb territory and two in Muslim territory. Demurenko discounted the latter two and examined and filmed the Serb locations. His conclusion was clear-cut: the mortar could not have been stationed in any of them. They were all unsuitable for mortars, because they were either on steep gradients or were densely wooded.

The UN career of this officer, who blew the whistle, now hangs in the balance. British General Rupert Smith, commander of the UN forces in Bosnia, decided on 2 September to have Demurenko posted back to Russia. However, ITAR-TASS has learned from informed sources within the peacekeeping command that General Smith changed his mind at the last moment. That was due to his own adjutants, who convinced him that the move would be interpreted as confirming that Demurenko was right. For the time being, he has been banned from talking to all but the Russian media. As

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

one of ITAR-TASS's sources put it, "They are digging a grave for Demurenko and the spades have already been handed out."

Official: Western Services Provoked Serb Bombing

LD0609090995 Moscow ITAR-TASS in English 0801 GMT 6 Sep 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW September 6 (Itar-Tass) — A top Russian military intelligence officer said Wednesday that the two explosions at the Sarajevo market, which triggered NATO air raids on Serb positions, were masterminded by western secret services as a pretext for the bombings and were executed by Muslim field commander Rasim Delic.

The officer who has just returned from ex-Yugoslavia and spoke on conditions of anonymity, told Tass that a western secret service carried out the "Cyclone-1" operation last February which was aimed to discredit the Bosnian Serbs before the world public.

"The operation was guided by the the secret service mission in Sarajevo and was executed by Rasim Delic, a noted Muslim field commander", the officer said.

Delic, according to him, was the head of a military dump in the times of former Yugoslavia and sold the property from the dump at the "black" market. A criminal case was launched against him, but he escaped responsibility because of the collapse of the country.

"The shady deals of Delic brought him into the network of a western secret service in 1991", the officer said.

The Cyclone-1 operation resulted in an explosion in the Sarajevo market which was immideately blamed on Serbs. An anti-Serb hysteria began in the press, the idea of NATO air raids was advanced.

"Later it became clear from UN officials that the Serbs physically could not stage the explosion. It was arranged by the Muslim side. Such information even appeared in the western press, but for a short time. However, the mechanism of accusing the Serbs of all sins was launched and the idea of air raids was pressed onto the world public", the officer said.

The "Cyclone-2" operation followed an the second explosion rocked the Sarajevo market. "The NATO military were in a hurry to talk the political leadership into passing a decision because autumn was coming and weather conditions were deteriorating. The pretext was the provocative method with the use of a catapult. They fired from the roof of a building close to the market. All this was masterminded by the secret service mission in Sarajevo and executed by the same Delic", the officer said.

He added that a Russian intelligence service learned about the plan to stage the explosion yet on August 20. The news was reported to the Croatian, German and US leaderships. "However, they did nothing to cut short the provocation and kept silent about the information", the officer said.

He blamed the UN command of a biased investigation of the blast and said its results had been predetermined.

"What happened after the blast is known to the whole world. The Cyclone operation did not remain secret either", the military intelligence officer said.

Kozyrev Meets UK's Rifkind on Bosnia Situation

MM0609102495 Moscow SEGODNYA in Russian 6 Sep 95 p 1

[Report by Vladimir Abarinov: "According to Kozyrev, Europe Is Going Through a 'Rather Acute Patch.' Malcolm Rifkind Explained Why NATO Bombings Are Necessary"]

[FBIS Translated Text] The Russian foreign minister and the British foreign secretary yesterday confirmed that there are disagreements on the issue of NATO air strikes in Bosnia. At the end of the negotiations with Malcolm Rifkind, who had arrived in Moscow, Andrey Koryzev stated that European politics is going through "a rather acute patch," but expressed confidence that Russia's partnership with the West "will withstand all the tests that have befallen us." The British foreign secretary for his part noted that the bombing of Serb installations was a forced measure designed to alleviate the suffering of Sarajevo civilians and ensure humanitarian convoys free access to the Bosnian capital. At the same time Rifkind admitted that this is not a solution to the problem and that a full-scale settlement can only be reached at the negotiating table.

Responding to a question from your SEGODNYA correspondent whether Russia is assisting Richard Holbrooke's mission or acting independently on a parallel track, Kozyrev said that Russia welcomes the United States' decision "to actively join the search for political solutions." According to the Russian minister, Moscow and Washington act as partners, coordinating their positions "in principle." Kozyrev believes that the proposals Holbrooke is now trying to realize were worked out within the framework of the Contact Group and, therefore, it is important that the efforts of all international intermediaries "go in one direction" so that the negotiating process be crowned with a peace conference in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Moscow. Nobody will be able to achieve success single-handedly, the Russian minister said. He also announced that Moscow has decided to upgrade the level of Russian representation in the Contact Group: As of now the Bosnian settlement will be handled by Igor Ivanov, first deputy foreign minister.

Rifkind 'Interested' in Moscow's Position

LD0509234095 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 5 Sep 95

[From the "Vremya" newscast]

[FBIS Translated Text] Diplomatic activity in Moscow in the past few days shows that the West has been seriously concerned about Moscow's strongly negative reaction to the use of force in solving the Bosnian conflict. At the news conference held by the Russian and British foreign ministers, Andrey Kozyrev and Malcolm Rifkind were highlighting the points on which they held similar views, while diplomatically avoiding any public discussion of the disagreements. In particular, both ministers were of the opinion that the idea of holding a peace conference on Bosnia proposed by President Yeltsin in no way contradicts the U.S. settlement plan. On the contrary, they seem to compliment each other. It was learned from the sources close to both sides that. one of Malcolm Rifkind's principal tasks during his working visit to Moscow was to convince the Russian side to change its view on the ways to solve the Bosnian problem. At the same time, the head of the British foreign department admitted after his conversation with Andrey Kozyrev that it is impossible to solve the conflict by military means.

Malcolm Rifkind confirmed this view in his exclusive interview to Russian Public Television. He believes that unlike other countries, Russia and Britain hold similar views on the Bosnian settlement. At the same time, the head of the British Foreign Office did not rule out new NATO strikes on the Bosnian Serb's positions in the region of Sarajevo. The aim of these strikes is to put an end to the population's suffering and the incessant conflicts. He says: I am always very interested in Moscow's position. Russia is a great power; it has great importance and influence in the world. It can contribute a lot to a constructive solution of the Bosnian problem.

Malcolm Rifkind believes that as a partner of United States and the European Union within the Contact Group, Russia could use its influence in creating a new Bosnia. The head of the British Foreign Office explained that cutting short the duration of his visit should not be interpreted ambiguously. Four hours of talks with Andrey Kozyrev proved sufficient to clarify the positions on the both sides. He is expected in Ankara tonight.

Moscow, Britain Differ on Air Strikes

LD0509162295 Moscow ITAR-TASS in English 1551 GMT 5 Sep 95

[By Dmitriy Gorokhov]

[FBIS Transcribed Text] MOSCOW September 5 (Itar-Tass) — Russia and Great Britain differ on NATO air raids on Bosnian Serbs, but share that the solution to the conflict can be ensured only by political means, according to Russian Foreign minister Andrey Kozyrev and his British counterpart Malcolm Rifkind.

"As President of Russia Boris Yeltsin has clearly stated, we are against the air strike campaign of NATO which we believe is beyond the UN mandate and demand to stop it", Kozyrev told reporters after talks with Rifkind Tuesday.

He expressed hope that such important achievement as the readiness of Bosnian Serbs to form a joint delegation with Belgrade for negotiations will not be undermined.

Kozyrev recalled that such a readiness was expressed before NATO began its air strikes.

The minister said it was "extremely important that Russia and Great Britain agree with the fact that there is no military solution for either inside or around Bosnia, in ex-Yugoslavia".

He added that Moscow is now thinking how to "raise the level of its participation in the negotiating process" and that first deputy Foreign minister Igor Ivanov may directly join the work.

Kozyrev welcomed the US involvement into the search of political solutions which is proved by the mission of US State Department official Richard Holbrooke and positively assessed the work done by European mediator Carl Bildt.

"Nobody should claim a monopoly in the 'peace race'. Only joint efforts can bring the desired result and the completion of the process at a conference of Contact group states with the participation of the conflicting parties as it was proposed by president Yeltsin", Kozyrev said.

"I think it will go this way thanks to our joint efforts", he added.

Rifkind said he backed the proposal of his Russian counterpart about negotiations as the only way towards a lasting peace, but added that NATO air strikes were

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

necessary to put an end to the sufferings of Sarajevo residents, although they cannot result in an all-round settlement in Bosnia.

"We both agreed that the only way to achieve a political settlement is by peaceful means", Rifkind said adding that if Bosnian Serbs comply with their pledges before NATO there will be no need for further air strikes and maximum effort can be then exerted at negotiations.

Rifkind Cuts Visit Due to Bosnia 'Events'

LD0509145395 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 5 Sep 95

[FBIS Translated Excerpt] British Foreign Secretary Malcolm Rifkind cut short his visit to Moscow today because of the events in Bosnia. [passage omitted]

News agencies reported earlier today that the Serbs were beginning to withdraw heavy weapons from Sarajevo, and that there would be no new NATO air strikes in spite of the expiry of the ultimatum. The situation has changed. That is the reason for the British Foreign Secretary's urgent departure from Moscow.

Before his departure by plane, Rifkind gave an interview to our correspondent, which you can see in our next bulletin at 2100 Moscow time.

Link With Air Strikes Denied

LD0609144395 Moscow INTERFAX in English 1317 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 6 (Interfax) — The shortening of British Foreign Secretary Malcolm Rifkind's visit to Moscow has nothing to do with the renewal of NATO's air strikes on the Bosnian Serb positions, acting Deputy Director of the Russian Foreign Ministry's Second European Department Aleksandr Ivanov-Golitsyn said.

Ivanov-Golitsyn told Interfax in Moscow today that Rifkind had left Moscow only two and a half hours earlier than planned and had done so because he had completed the schedule for his Russian visit. "There were no other reasons. Our media invented them," the diplomat said.

Ivanov-Golitsyn said the British foreign secretary had expected to be received either by Russian President Boris Yeltsin or by Russian Prime Minister Viktor Chernomyrdin.

"However, we notified the British party in advance that it would be impossible to organize a meeting between Rifkind and the president or the prime minister because they were overloaded with work," Ivanov-Golitsyn said. Ivanov-Golitsyn said the British foreign secretary "was disappointed that it was impossible to meet with the country's top officials. However, he did not consider this as a lack of respect for Great Britain and did not take offence because the rest of the visit was fine."

Ivanov-Golitsyn was referring to "the talks between Russian Foreign Minister Andrey Kozyrev and his British counterpart and the warm reception offered to Malcolm Rifkind in Moscow."

Spain's Gonzalez Arrives For Talks; Meets Leaders

Holds Talks With Yeltsin

LD0609072395 Moscow ITAR-TASS World Service in Russian 0636 GMT 6 Sep 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 6 Sep (ITAR-TASS) — A one-to-one conversation began in the Kremlin today between Russian President Boris Yeltsin and Spanish Prime Minister Felipe Gonzalez. Before the conversation started, the head of the Spanish state, who arrived in Russia on an official visit on Tuesday evening, attended the official welcoming ceremony which was held in the St. George Hall of the Kremlin.

The conversation is expected to last approximately one hour. Then the sides will continue the talks with more people present. Informed sources in the Kremlin reported to ITAR-TASS that during the conversation the Russian president and the Spanish prime minister, who is the current chairman of the European Union, are expected to discuss the prospects for Russian-Spanish relations, the strengthening of ties between Russia and the European Union, and problems relating to settling the crisis in Bosnia.

While this conversation is going on, these sources reported, Russian Foreign Minister Andrey Kozyrev and Foreign Economic Relations Minister Oleg Davydov will hold talks with Spanish Foreign Minister Javier Solana.

Yeltsin Welcomes Better Commercial Ties

LD0609092695 Moscow ITAR-TASS World Service in Russian 0803 GMT 6 Sep 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 6 Sep (ITAR-TASS) — The treaty on friendship and cooperation between Russia and Spain signed in April 1994 during Russian President Boris Yeltsin's visit to Madrid has played a highly important part in improving financial and economic cooperation between Moscow and Madrid.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This view was expressed by the Russian head of state when speaking prior to the start of the meeting between delegations with Felipe Gonzalez, the Spanish head of government, who arrived here on Tuesday evening on an official visit. The talks between delegations were preceded by an hour-long one-to-one conversation between the Russian president and the head of the Spanish Government.

Boris Yeltsin expressed gratitude to Spain, which is currently chairing the European Union, for having "facilitated the signing of a commercial agreement" with the EU following the signing of the interim economic agreement on cooperation between Russia and the European Union and for having been the first of the EU member countries to ratify this document. The Russian president also said that a meeting was planned for today between Felipe Gonzalez and Ivan Rybkin, chairman of the State Duma, at which the issue of the Russian side ratifying this agreement would be raised, among other things.

The Russian president noted as "a pleasing fact" the successful activities of the intergovernmental commission on commercial, economic, scientific and technological cooperation between the Russian Federation and Spain, a routine sitting of which would, according to him, be held in the near future.

Meets Chernomyrdin on Relations

LD0609095495 Moscow ITAR-TASS World Service in Russian 0900 GMT 6 Sep 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 6 Sep (ITAR-TASS) — Talks have begun today in the House of the Government of the Russian Federation between the Russian and Spanish Government delegations headed by Russian Prime Minister Viktor Chernomyrdin and head of the Spanish Government Felipe Gonzalez, who arrived in Moscow on 5 September for an official visit. "Relations between Russia and Spain can be described as sincerely friendly," Viktor Chernomyrdin said when opening the talks. He emphasized that "it is up to us to ensure that they develop more quickly."

In his turn, Felipe Gonzalez, assessing the present state of Russian-Spanish cooperation, noted that in the present stage our two countries had no problems in the humanitarian and social spheres. He believes, however, that economic and trade cooperation "can be intensified." The head of the Spanish Government told Viktor Chernomyrdin that the Spanish delegation had among its members many businessmen, who had come to Moscow in the hope of stepping up bilateral economic ties.

The heads of governments of Russia and Spain are expected to give a brief news conference after the end of their talks.

Kozyrev, France's De Charette Discuss Bosnia

LD0509193095 Moscow ITAR-TASS in English 1920 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, September 5 (Itar-Tass) — Russian Foreign Minister Andrey Kozyrev and his French counterpart Herve de Charette had a telephone conversation on Tuesday [5 September].

The two ministers discussed the Bosnian crisis, the Foreign Ministry information and press department told Itar-Tass. The Russian side objected to the resumption of NATO air strikes and bombardment on Bosnian Serbs.

However, the ministers mainly dwelt on the implementation of fundamental arrangements reached during the recent telephone talk between Russian President Boris Yeltsin and French leader Jacques Chirac. The two ministers agreed that a political process is the only road to the Bosnian settlement. It can be successful only if the efforts of all members of the Contact Group are pooled and its unity preserved.

Daily Views 'New Details' of Iranian Nuclear Deal

MM0509180795 Moscow KRASNAYA ZVEZDA in Russian 5 Sep 95 p 3

[Report by Vadim Markushin: "Caravan Still on the Move"]

[FBIS Translated Text] A certain lull in the campaign to criticize the Russian-Iranian contract signed this January for the completion of a nuclear power station in Bushehr almost gave the impression that Moscow's and Tehran's assurances about the specifically peaceful nature of their cooperation had appeased their chief opponents. But this impression proved to be deceptive.

New details of the deal which have been obtained by the mass media have given rise to further gossip and conjecture. They "latched" in particular onto the information from the Ministry of Atomic Energy that Russia could in principle sell Iran not two but four reactors. This proved to be sufficient for certain people to decide that the additional pair were evidence of there being a secret section of the contract concerning assistance for Iran in the development of its own nuclear weapons program.

In spite of a categorical rejection of this conjecture by the Atomic Energy Ministry, the U.S. State Department has already resumed its official statements to the effect

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that the Russian-Iranian cooperation will continue to be the subject of protests by Washington at the highest level.

In effect, the orthodox negative stance taken toward Iran remains unchanged in spite of the great dissatisfaction of U.S. commercial and industrial circles, which have sustained significant losses due to the sanctions. These circles have had to learn for themselves through bitter experience that the introduction of unilateral bans almost always proves to be an ineffective measure. Moreover, competitors, who are observing the situation closely, quickly exploit it to their own advantage. The French petroleum company Total recently demonstrated this graphically when it won a contract to develop two sections of the Sirri oil field, close to the maritime border between Iran and Dubayy.

Bonn, judging by several new emphases in its position, is also more and more inclined to take its place among the most intransigent critics of the "criminal state." This change might, generally speaking, cause surprise, as Germany, being Iran's main trading partner in Europe, was noted for its loyalty to it. In this connection, several observers even predicted that last weekend in Zavidovo Helmut Kohl would attempt to dissuade Boris Yeltsin from further cooperation with Iran in the nuclear sphere. It seems, however, that the chancellor did not even broach this subject. Most likely because he considered that he had already done enough by making an unsuccessful attempt to explain to the Russian president the usefulness of NATO's use of "reasonable force" in the Balkans.

Meanwhile, Russian and Iranian specialists have set about elaborating and coordinating matters of a purely practical nature. Including, for example, a plan for nuclear fuel deliveries from Russia for a 30-year period starting in 2001, when the power station will come on stream. And it is planned that the site will be handed over to the Russian contractors and construction of the first unit will commence at the end of this year. The cost of all this work is, as we know, around $800 million. Some people believe it may increase to $1 billion.

No Secret Nuclear Contracts Signed

LD0509134595 Moscow INTERFAX in English 1238 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (Interfax) — Russia has not signed any secret military contracts on nuclear cooperation with Iran, and it does not plan to sign any, head of the Zarubezhatomenergostroi organization Eduard Akopyan told a news conference in Moscow Tuesday [5 September].

In his words, "all contracts with Iran are exclusively peaceful and do not differ from dozens of contracts signed with other states." What is more, the Iranian activities in nuclear power engineering are "being strictly controlled by the IAEA [International Atomic Energy Agency]."

Akopyan reminded correspondents that Russia and Iran have two contracts on cooperation in nuclear power engineering — one to build a nuclear power plant in Bushehr, and the other to finalize a large power unit whose construction was begun in 1973 by a German firm.

"Russia has not supplied equipment or fuel to Iran on these contracts," stressed Akopyan.

In his words, the research done for the Bushehr nuclear power plant will be completed in September, and the contract on finalized construction of the first power unit will become valid in October. The construction is to be finalized within 55 months, and fuel supplies will start in 4.5 years. Russia will supply main equipment for the plant, said Akopyan.

It will be necessary to open a scientific-research center in Iran in order to fulfill the agreement on scientific-technical cooperation, Chairman of the Russian Nuclear Ministry's Committee for International Relations Mikhail Fyodorov told the news conference. In the opinion of Russian specialists, this center shall have a model reactor to train Iranian specialists. Negotiations on the center are underway.

Plans For Two More Reactors Noted

LD0509120595 Moscow ITAR-TASS in English 1122 GMT 5 Sep 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW September 5 (Itar-Tass) — Russia and Iran signed a new contract on the construction of two more nuclear reactors at the plant in Bushehr and the work is to begin already in November, Eduard Akopyan, the head of the foreign construction company "Zarubezhatomenergostroy" of the Russian Atomic Energy ministry, told a press conference Tuesday.

He refused to disclose the cost of the deal saying only that it corresponded to the world level.

The first contract signed with Iran in January 1995 envisaged the reconstruction of one reactor in Bushehr which was erected in the end of the 70s by the German Siemens company and the shipment of one Russian light-water VVER-1000 type reactor. In September Russian experts are to report on the results of inspection

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the object and the work is to begin in October. It is expected to last for 55 months and the plant will be ready in four and a half years to receive the fuel which will also come from Russia.

The second contract envisages the construction of two other light-water VVER-440 type reactors in Bushehr.

Akopyan stressed that nuclear cooperation with Iran is going on in the framework of the intergovernmental agreement. Similar documents have been signed with other countries and 26 Russian reactors are now working in 10 states. Besides, reactor construction is nearing completion in Slovakia, Czechia [as received] and Cuba. A construction site is being selected in China and talks are underway with India. Besides, applications for Russian reactors have been received from Turkey, Pakistan, Egypt and Indonesia.

Commenting on U.S. protests against the Russian-Iranian nuclear deal Akopyan brushed aside claims that it may help Tehran develop its nuclear weapons and said the true reason for the protests was that "the United States do not want to have Russia as its competitor".

He stressed that Russian assistance in shipments of equipment and construction of nuclear power plants "has nothing to do with the creation of nuclear weapons".

Foreign Ministry 'Regrets' French Nuclear Test

LD0509235595 Moscow ITAR-TASS World Service in Russian 2340 GMT 5 Sep 95

[FBIS Translated Text] Moscow, 6 Sep (ITAR-TASS) — The Russian Ministry of Foreign Affairs expressed its "deep regrets that in spite of serious concern demonstrated by international community, including the Russian Federation, the French side still embarked on its nuclear tests plan scheduled for this year," a commentary of the Russian Ministry of Foreign Affairs received by ITAR-TASS says.

"Our position has already been outlined in the statement made by the Russian Ministry of Foreign Affairs at the time this plan became known. This position remains in force," the commentary says.

Press Service Seen Overstating Kohl-Yeltsin Accord

MM0509134395 Moscow KOMMERSANT-DAILY in Russian 5 Sep 95 p 1

[Report by Andrey Smirnov: "Helmut Kohl Was Misunderstood"]

[FBIS Translated Text] Recent developments concerning the crisis in the former Yugoslavia make one rethink the role Russia has been playing in the Balkan settlement. You get the impression that the considerable influence on the Serbs ascribed to Moscow is but a myth. Venturing to use force in a critical situation, the United States and its NATO allies did more within a short period of time to restore peace than Russian diplomacy managed to achieve over several years of fruitless talks with the Serb leaders. In that regard the meeting between Boris Yeltsin and German Chancellor Helmut Kohl, which was held in the Russian president's countryside residence on Saturday, really meant a lot for Moscow. The summit was designed to show that the West still regards Russia as an equal partner in efforts to maintain international stability.

Reports of the Russian president's press service on the progress of the talks at Yeltsin's countryside residence in Zavidovo consistently reiterated the idea of the absence of differences between Moscow and Bonn on ways of resolving the Yugoslav crisis. In his televised interview Sunday the president noted that Helmut Kohl, like French President Jacques Chirac before him, backed the Russian proposal on holding a summit meeting on the Bosnian problem in Moscow in October. Both leaders also promised to do their utmost so that the meeting of the Contact Group and representatives of the Federal Republic of Yugoslavia, Croatia, and Bosnia in Geneva, scheduled for this weekend, would end successfully. Commenting on the results of the meeting in an interview for ITAR-TASS, Sergey Medvedev, presidential press secretary, pointed out that the negotiating sides were unanimous in rejecting force as a method of settling the crisis in the former Yugoslavia, meaning both the use of force by the Bosnian Serbs and NATO's retaliation actions.

This press service statement, to put it mildly, elicits astonishment. Germany officially is taking part in that same retaliation action which the German chancellor allegedly denounced in his conversation with the Russian president. Although the German Air Force is not directly involved in the bombardment, German "Tornado" fighters are called upon to provide cover for NATO bombers. German officials have repeatedly stated that Berlin fully supports NATO operations against the Bosnian Serbs. To all appearances, the Russian president's press service has been indulging in wishful thinking. Before his departure from Moscow, Helmut Kohl said that his view on air strikes differs from Boris Yeltsin's. As for the proposal on holding a summit on resolving the crisis in the former Yugoslavia in Moscow, the German chancellor was not so unequivocal in embracing it, either. In his words, Germany will give such a meeting its backing only if it is assured of its success. To this end, it is necessary to convince the conflicting parties to sign documents in Geneva that define the key parameters of a peaceful settlement.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

One of the key goals of Kohl's visit was apparently to grasp Russia's stance on the eve of the Geneva talks. Unquestioning support for the Serbs, who, frankly speaking, bear the main responsibility for the current Balkan crisis, causes considerable apprehension in the West. While denouncing NATO bombardments of Serb positions, Moscow, in fact, is not proposing anything else, limiting itself to general phrases to the effect that the crisis can be resolved exclusively by peaceful means. In Geneva, members of the Contact Group should demand in a fairly firm manner that all the warring parties accept the U.S. peace plan, which is seen by most observers as the most realistic proposal as of today. The sine qua non for successful talks is the unity of Contact Group members. The Russian stance, which deviates from the mainstream, could impede the drawing up of a solution. Still, Boris Yeltsin's words, which he used in the televised interview, that the ideas of Russia and the U.S. on settling the Yugoslav crisis do not contradict each other leave one the hope that this time around it will be possible to reach agreement.

Kohl Tries To Salvage Yeltsin's 'Piqued Vanity'

MM0509132695 Moscow SEGODNYA in Russian 5 Sep 95 p 1

[Report by Vladimir Abarinov: "Helmut Kohl Supported Boris Yeltsin, but with Reservation. The Meeting in Zavidovo Did Not Bring About Any Basic Changes in the Sides' Positions"]

[FBIS Translated Text] It seems that Boris Yeltsin jumped the gun in stating that Helmut Kohl supports Russia's proposal for a Moscow summit meeting on a Yugoslav settlement. The FRG chancellor, quite the contrary, stressed that he will support the idea only if it has realistic chances of success. Whether there will be such chances will be clear after a session of the Contact Group's foreign ministers over the weekend in Geneva.

It is unlikely that the Americans, whose plan is now being actively promoted by Richard Holbrooke, will let the initiative out of their hands just to avoid hurting the Russian president. Unfortunately, Moscow has found itself on the sidelines of the negotiating process; it is adapting poorly to the new military- political situation in the Balkans and is no longer in a position to exert pressure on the Serb leaders. Russia's dissenting opinion was in a position to have some significance only while the outcome of the Bosnian war was not clear. Today, however, it is quite obvious that the Serbs have lost the war. Beginning in April, they have suffered one defeat after another. Government forces occupy dominant heights in the areas of the vital Brcko corridor in central Bosnia. Finally, except for Milosevic, there is no responsible partner on the Serbian side because the Bosnian-Serb leadership is affected by a severe crisis and, moreover, neither Karadzic nor Mladic, accused of war crimes, can take part in international conferences.

In these conditions the image of a proponent of Serb interests looks depressing. The impression is that in the recent period Chancellor Kohl has been only concerned about salvaging the piqued vanity of the Russian president. He told Boris Yeltsin the unpleasant news that Tudjman will not arrive in Moscow. In Zavidovo, Kohl apparently sought to persuade Yeltsin not to protest against NATO air strikes so sharply but he did not succeed in this and had to admit publicly that disagreements remain.

All this, however, is only a semblance of activity. The negotiating initiative is now fully in the hands of Holbrooke. The Americans have no reason to abandon this role.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Political Issues

Daily Views Yeltsin's Courting of Democrats

MM0509154495 Moscow ZAVTRA in Russian no 34, Aug 95 (Signed to Press 22 Aug) p 2

[Report by A. Balakirev: "Together Again?"]

[FBIS Translated Text] Yeltsin is holding consultations with leaders of democratic parties and movements. According to Aleksandr Yakovlev, who was the first to have the privilege of an audience, "the president indicated under no uncertain terms that the democratic development path must be preserved." Moreover, he apparently expressed agreement with Yakovlev's opinion that "at present the key question is about the basic course for Russia's future development, which calls for the unity of all democratic forces." For his part A. Yakovlev is not inclined to link Yeltsin with "the restoration trends," for which he is criticized sharply by these very forces: "His entire fate is linked with democratic reform.... He may fall under somebody's influence, he may make mistakes, but I do not think that he may turn away from the democratic course onto the bureaucratic state-nomenklatura path."

Why should Yeltsin have suddenly remembered the "democratic forces"? How has this "superintendent of perestroyka" developed such a desire to separate Yeltsin — contrary to what is self-evident — from the "state-nomenklatura path"? Is the democratic press not still crying about the evil-minded "presidential entourage," and about the "party of war" which is harboring plans for a right-wing coup? What political processes lie behind these shifts in the relationship between Yeltsin and the democratic parties?

Everybody has noticed a general increase in the "clout" of Chernomyrdin and his government, to the detriment of the "power" structures, the Security Council, and the so-called "presidential inner circle." Many people in the West and also here would like to present the premier's consolidation as a result of Yeltsin's express predisposition toward Chernomyrdin's policy line. Well, let us assume that Yeltsin has decided in the future to hand over his presidential powers to Chernomyrdin. (This, incidentally, is not at all self-evident, as soon as we think about the plan to reorganize the presidential staff, which suggests a division of the power establishment into the (premier's) "boyar domains" and the "czar's domains.") Let us assume that this is really so. This would mean a final shift within the "party of power" in favor of the export-raw material sector whose interests are primarily articulated by Russia Is Our Home. Suppose that this shift is consolidated by the results of belated (in this event) parliamentary and hasty (which is inevitable) presidential elections. Can the military and, most important, the export-oriented military-industrial faction — which have a disproportionately small representation, via a few figures close to the president, in the decisionmaking system — agree to being squeezed out of the ruling establishment?

Moreover, will this not be a dashing of all hopes and even a final defeat of those "groups and forces" which in their time played a significant role in propelling Yeltsin into office? This refers not only to the narrow, selfish but also to the general political aspirations of military-industrial complex elites, who link (but in effect confuse!) technological modernization with social modernization. And who dream that once the latter has been accomplished, they will also carry out the former, thus taking up a worthy place both in the new, necessarily great Russia, and in the "civilized" world.

It appears that the hopes of all these forces were dashed first by Gorbachev, and then by the post-August Yeltsin. Meanwhile these forces have withered economically and divided politically. It would seem that the post-October and the "Chechen" Yeltsin had drifted considerably in the right direction but... at that stage there was Budennovsk, which "for some reason," in one big leap, bolstered the dominant position of that sterile, anti-state raw material part of the nomenklatura oligarchy which is most adverse to evolution.

Is it possible that the military-industrial factions affiliated with the "party of power" will not try to exploit the existing possibilities in order to influence Yeltsin? The "great-power Yeltsin" who is not going to retire and is thinking how best to overtake this unduly bloated Home? Maybe he should be simply put out of the way? Let us conjure up the reasoning of these forces:

"Granted that at this stage the desired shift within the party of power can only be achieved through extraordinary means, which Boris must be prompted to employ some time closer to the presidential elections. But sheer force, as living historical experience shows, is insufficient. Which ideological and political packaging is beneficial, adequate to the situation, and at the same time internally acceptable? It should be a contrast to the, to put it mildly, extremely inconsistent neo-Soviet stagnant course which will be demonstrated after the parliamentary elections by Russia Is Our Home and its numerous opponents/allies from the left. This course, which turns nostalgic recollections into a rather unseemly reality, will quickly lose popularity. And then its authors and legitimizers must be stigmatized as an anti-state, anti-people, venal, and corrupt nomenklatura oligarchy.

"Next it would be a good idea to enlist support from the West and come to terms with it — not frighten it

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

(especially in the present day conditions of weakness and semi-isolation!) with a bearish grin. And then....

"And then it turns out that the good old democratic ideology will be quite appropriate here. But, to be sure, it will have to undergo some changes: It will be an ideology of national modernization. It will be a modernized democratic populism capable of raising a charismatic leader to the pinnacles of a really authoritarian ruling system but in this instance called upon to serve at least as a prop for a quasi-authoritarian coup. And who are the specialists on democracy and fight against the party nomenklatura? Ah, well... Yes... Well, let Boris Nikolayevich come to terms with them."

Such is the reasoning of those "forces" which eagerly believe that it is possible, after some delicious Western fish for the main course, to get all imperial-technocratic joys for dessert.

Why the democrats need Yeltsin and these "forces" is self-evident: They have no ideological-political capital of their own. They used to have it, but it has been squandered foolishly! How is it possible to come to power and get the stagnant modernization going again without these "forces," so outrageously "undemocratic" and "nationalistic"? Strictly speaking, this modernization strongly demands authoritarianism and nationalism. Therefore this bitter power mixture will have to be swallowed in certain doses....

It cannot be ruled out that the integrating link (or maybe even the initiators of the new scheme) are the president's notorious democratic advisers. Details being blurry, only a general outline of the new alliance can be envisioned: Three forces — Yeltsin, part of the military-industrial complex close to the power establishment, and part of the democrats (excluding, of course, Yavlinskiy and, apparently, also Gaydar) — move toward one another. And in this process they try to avert the nomination as czar (with its indispensable but hard-to-harmonize "charisma," "democratic populism," and "national-modernizing attitudes" [natsional-modernistichnost"]) of another, younger politician who is winning the sympathies of the military and the industrialists.

Alas, Russia's historical experience shows that this is an either-or case: either Western fish or a technocratic empire.

Yeltsin Attacks Civil Servants, Urges Reforms

LD0609123195 Moscow ITAR-TASS in English 1214 GMT 6 Sep 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW September 6 (ITAR-TASS) — President Boris Yeltsin sharply attacked civil servants on Wednesday saying they impede reforms and urging "serious changes in the state service and the personnel policy of Russia".

"Any changes are doomed to failure if the staff of the state service is not reformed at the same time", Yeltsin said addressing professors and students of the Russian academy of state service.

He admitted that after the collapse of the Soviet Union in 1991 he "conscientiously refrained from personnel shocks". "Thanks to that the country did not cross the line behind which there is chaos and anarchy and therefore its life provision did not cease for a minute", the president said.

New people came to the state service in 1992-93, but "a part of them... ceded to the temptations of the power".

The "personnel situation" in the country continues to remain in crisis, Yeltsin stressed adding that it tells on all walks of life — economic, financial, banking, social, cultural and scientific, defence, security, nationalities policy.

Yeltsin blamed state servants for "unagreed actions of various departments of civil service", for making decisions without foreseeing their consequences.

At present Russian bureaucrats "feel uncontrolled, try to subordinate state interests to their selfish interests and it is often the state apparatus which impedes the implementation of important governing decisions, including on personnel issues", Yeltsin said adding that officials are often corrupted and bribed by commercial ventures.

"In a new Russia we continue to manage and govern in an old way in many aspects", the president admitted and urged to switch to a new model of the state service. The only way out lies in "serious changes in the state service, in the personnel policy", he stressed.

He urged the civil servants to turn towards the needs of ordinary people. "We must look for possibilities to solve strategically-important tasks for the development of the country. The central of them is the provision and protection of the security of Russian citizen, society and the state".

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"At present the main threat to the country and its citizens comes not from the outside, but has mostly internal character", Yeltsin said and cited organised crime, vanishing spiritual values among the young and the shaping collapse of family traditions as an example.

"A country cannot be great if it does not aim to ensure a worthy quality of life for its citizens and is not striving to implement the goal. Every civil servant, no matter what he does, must understand that increasing standards of living of the citizens is the top priority in the policy of the Russian Federation", the president said.

Both federal and regional authorities should "change their line towards relations with citizens, enterprises and companies in principle", according to Yeltsin.

"It is necessary to switch from direct pressure and the use of power methods to the management on the basis of legal, financial mechanisms, to the creation of conditions for free activities of the people", the president urged.

Yeltsin admitted that it is also necessary to adopt the legal basis for the work of civil servants and to increase their incomes. "The material conditions of civil servants do not correspond to the volume and intensity of their work and the immense responsibility which they bear", the president said.

But Yeltsin also said professional requirements to civil servants, the responsibilities of officials and their protection from unlawful actions should be strictly defined and ensured.

"Our duty before the present and future generations is to do everything possible so that our country enters the new century renewed and prosperous", the president said.

Edict Seen Excluding Energy Ministry's Consent

MM0509153195 Moscow KOMMERSANT-DAILY in Russian 5 Sep 95 p 9

[POSTFACTUM report: "Edict on Setting Up 'Sibneft' Was Drawn Up Without the Mintopenergo"]

[FBIS Translated Text] Vladimir Kostyunin, first deputy fuel and Energy minister of the Russian Federation, has said that the Russian president's edict "On Setting Up the Siberian Oil Company" was drawn up without the Mintopenergo [Fuel and Energy Ministry]. In his words, it is presidential agencies and the administrations of Omsk Oblast and other regions on whose territories oil enterprises that were included in "Sibneft" are located, that were involved in drafting the edict. The creation of "Sibneft," the deputy minister noted, has seriously weakened the structure of "Rosneft" — the company has been effectively deprived of its resource base and now the pattern of relations between domestic oil producers has to be revamped.

Prosecutor's Office Drops October 1993 Coup Case

MM0509151995 Moscow SEGODNYA in Russian 5 Sep 95 p 1

[Unattributed report: "Investigation into the 3-4 October 1993 Events Completed"]

[FBIS Translated Text] The Russian General Prosecutor's Office has completed the investigation into the 3-4 October 1993 events in Moscow. According to a high-ranking representative of the General Prosecutor's Office Investigations Directorate, a decision was made to dismiss the case. The criminal case was opened in October 1993 under an article criminalizing the organization of mass disturbances. Aleksandr Rutskoy, former vice president; Ruslan Khasbulatov, ex-speaker of parliament; Generals Albert Makashov and Vladislav Achalov; and other prominent oppositionists were arrested on suspicion of being involved in this crime. Leonid Proshkin, deputy chief of the Investigations Directorate, said that the investigation has shown that "both sides to the conflict" are to blame for the 3-4 October events in Moscow.

Filatov Calls Sociopolitical Situation 'Unwell'

LD0109204395 Moscow INTERFAX in English 1856 GMT 1 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 1 (INTERFAX) — The head of the presidential administration, Sergey Filatov, has described the present sociopolitical situation in the country as "unwell."

Speaking at the Democratic Press Forum in Moscow Friday, he remarked that "not a single party today enjoys much confidence among the people" as their rating did not exceed 10% of the electorate. "In Russia there is no party which would enjoy stable confidence. Though the total number of parties exceeds 250, no more than 50 are known in society," he added.

According to Filatov, this is evidence that "most probably, the struggle at the elections to the State Duma will go to single-mandate constituencies filled by independent candidates."

Filatov was concerned about the sharp fall in the number of stalwart supporters of reforms from 56% at the April 93 referendum to 7% now.

Filatov said a total of 11% to 12% felt confidence in the Communists, while democratic movements had much lower figures. He said these facts had "an alarming

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ring, evidence of the possibility to briskly change the situation in the country."

Filatov admitted that "confidence in the authorities has sharply fallen," saying the possible outrage of local bureaucracy could be the reason.

Filatov said President Yeltsin had permited local elections in Nizhniy Novgorod. Asked about mistakes to avoid considering the governor elections in the Sverdlovsk region, Filatov said, "Dirt and lies between the candidates. It is necessary to remember that they will have to look in people's eyes."

Continued Pre-Election Reportage, Commentary

Parties Step Up Preparations

LD0409115895 Moscow ITAR-TASS in English 1028 GMT 4 Sep 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 4 (ITAR-TASS) — The pre-election activity of many parties and election alliances appeared to have reached the peak over the weekend. More than ten election associations and alliances of all calibres held congresses and conferences to decide on their lists of candidates, primarily in the regions, a kind of routine work that does not attract too much attention. But there were a few instances worth noting.

The Congress of YABloko proceeded in a businesslike and quiet atmosphere. The delegates discussed the alliance's political platform and voted in favour of the lists of candidates topped by Grigoriy Yavlinskiy, Grigoriy Lukin and Tatyana Yarygina.

Yavlinskiy himself repeatedly stressed the YABloko programme's professionalism, and omission of populist slogans, as well as high standards in selecting candidates.

Summing up the results of the Congress, Yavlinskiy told ITAR-TASS that he was pleased with the businesslike atmosphere and absence of surprises at the Congress. Nonetheless, a surprise came later: after the Congress ended its work it became known that Yuriy Boldyrev, one of the three co-founders of YABloko, an alliance whose name was an acronym made of the three names: YA for Yavlinskiy, B for Boldyrev and L for Lukin, Yuriy Boldyrev has decided to withdraw from the movement.

The conflict between Boldyrev and the other two leaders of the association had taken some time to come to a head and surfaced after Boldyrev in his capacity as a member of the Federation Council, spoke against one of the economic bills backed by the YABloko faction. Boldyrev stayed away from the Congress and chose to make his demarche public as the curtain was about to fall. His withdrawal, however, is not likely to do serious harm to the alliance since Boldyrev had long since ceased to effectively participate in the movement and could not stand for nomination because of his position as Deputy Chairman of the Auditing Chamber of the Federation Council in charge of supervising the execution of the federal budget.

The newly-instituted election alliance "Democratic Russia-Free Trade Unions" failed to muster respectable allies or prominent politicians, and the first three names on its federal lists remained the same as before: Lev Ponomarev, Gleb Yakunin and Galina Starovoytseva." Some of the delegates to its conference voiced fears that the alliance had no chance of getting a seat in the parliament, because the political niche it used to occupy has now been filled by the Yegor Gaydar Party. Nonetheless, the movement leaders found it advisable to run in the election race if not to win than at least, to collect 200,000 signatures (which the movement will undoubtedly do) and gain access to financial resources and the media in order to remind the electorate about its existence.

The congress of the Republican Party of the Russian Federation, which ended today, decided to create its own election alliance "Pamfilova-Gurov-Lysenko." The Republican Party is a small organisation but it has existed a relatively long time and has strong local organisations in a number of regions. Its leader Vladimir Lysenko decided that two popular figures on the party's list (former Minister Ella Pamfilova and ex-Chief of the Interior Ministry's Department in charge of combatting organised crime Aleksandr Gurov) will add to its popularity. Hence, the three issues which the alliance will build its election campaign on: combatting poverty, combatting crime, and upholding federalism (Lysenko himself being a specialist in the latter subject).

It is not easy to forecast how the alliance will perform in the elections, but according to its leaders, it counts on the success in a number of regions.

The Congress of the Russian Social Democratic Union [SDU] with Vasiliy Lipitskiy at the head did not yield much. It voted in favour of creating an election alliance of the same name, the Social Democratic Union, but who would join the alliance remained an open question. One of the possible partners is Gavriil Popov's Russian Democratic Reform Movement. Popov expressed readiness to team up with the SDU in his address to the Congress, but the SDU leaders, judging by all appearances, are still weighing the pros and cons. Any linkage to the Ivan Rybkin alliance was ruled out,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

as was a coalition with the Allied Industrial Party or with the Federation of Independent Trade Unions of Russia.

The Congress of Russian Communities [CRC] opted for holding its convention behind closed doors, without specifying what prompted that decision.

It is now known that Yuriy Skokov, Sergey Glazyev and Aleksandr Lebed are the first three names on the CRC federal list. The first ten names also include Lyudmila Vartazarova, the leader of the Socialist Party of Working people and Dmitriy Rogozin, the CRC founder and Chairman of its executive committee.

The fate of Sergey Glazyev in the CRC has turned out to be more fortunate than that of Stanislav Govorukhin in the Party of Self-Rule of Working People. Earlier, the two men were colleagues in the leadership of the Democratic Party of Russia, which practically split with part of the members following Glazyev to the CRC, and the other part joining Govorukhin who teamed up with Svyatoslav Fedorov. As a result of the rift, the Democratic Party of Russia will not participate in the elections as a single entity, particularly since its founder and former leader Nikolay Travkin now figures among the first ten names on the federal list of the movement "Russia Is Our Home" replacing Sergey Shakhray who withdrew from the Viktor Chernomyrdin movement.

The lists of nominees of the latter movement approved by its congress on Saturday boasts a greater number of cultural figures than any other election alliance or bloc. Aleksandr Rutskoy's ex-friend film director Nikita Mikhalkov now ranks third in the federal list of "Russia Is Our Home", and popular singers Edita Pjecha and Mikhail Boyarskiy are listed as nominees of the St. Petersburg division of the movement. These signs of populism are likely to become a target for press criticisms.

Paradoxically, Vladimir Zhirinovskiy, who for a long time preferred to appear as a buffoon, chose to act a respectable politician eschewing populism at his party's congress on Saturday. He proudly announced that the lists of the LDPR [Liberal Democratic Party of Russia] nominees contained no showmen or figureheads. Indeed, the corps of the LDPR federal list is made up of the leader's long-time party comrades-in-arms. In addition, it includes several relatives of Vladimir Zhirinovskiy, who seems to be unscared by the fate of Saddam Husayn who was recently betrayed by his daughters and sons-in-laws.

The period of party conventions is not yet over, although most of them are already history.

The Agrarian Party will hold its congress on Tuesday. The National Salvation Front will meet for its national convention on September 8, and the Social Patriotic Movement "Great Power" will hold a repeat conference on September 9 hot on the heels of Aleksandr Rutskoy's conflict with some of his former allies who have walked out of the movement.

The Ivan Rybkin alliance and the Social Democratic Union, as well as the Federation of Independent Trade Unions and the Russian Allied Industrial Party also have yet to hold their national congresses, but it is expected that the line-up of all political forces ahead of the first stage of the election campaign — the collection of 200,000 signatures — will become clear before the middle of September.

Intra-Bloc Frictions Highlighted

MM0409133095 Moscow PRAVDA in Russian 2 Sep 95 p 1

[Report by Boris Slavin and Valentina Nikiforova: "Political 'Spillage'"]

[FBIS Translated Text] The election campaign is laying bare new contradictions between future election rivals, splitting blocs that have already been announced, and giving rise to new associations of different political forces.

The withdrawal of S. Shakhray and his Party of Russian Unity and Accord [PRES] from the "Russia Is Our Home" bloc was a kind of sensation. S. Shakhray, the core of the current political scene, gives us grounds for wondering whether "Russia Is Our Home" and its leader have fallen out of favor with the president. How could such a relatively young politician be so bold? All the more so as the idea of the two blocs (V. Chernomyrdin's and I. Rybkin's) was suggested by the president himself.

We have learned that the bloc comprising S. Govorukhin's Democratic Party of Russia and S. Fedorov's Party of Working People's Self-Government has collapsed before it was even created. The latter along with A. Kazannik (Party of the People's Conscience) will together join Fedorov's party [sentence as published].

PRAVDA has already asked: "Who will the Socialist Party of the Working People [SPWP] join with?" Following the Fifth SPWP Congress it became known that it would unite at the elections with Yu. Skokov and A. Lebed's Congress of Russian Communities [CRC] and a number of regional trade unions. The socialists are confident that they will jointly be able to surmount the 5-percent barrier. It is hard to imagine what the factions in the new Duma will be like when there are strange unions of socialists, center-rightists, and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

authoritarians [derzhavniki]. In the opinion of SPWP leader L. Vartazarova, this year they have learned from the mistakes of previous elections, when they allied themselves not with a strong partner but with small organizations that were not known to anyone.

The radical wing of national patriots has also become more active. The Russian Party is making its pitch in the elections.

The weekend is expected to see an upsurge of political activeness — eight political parties, movements, and organizations will be holding congresses and conferences. These include "Russia Is Our Home" (stage two of its congress), S. Shakhray's party (PRES), S. Fedorov's Party of Working People's Self-Government, the closed CRC congress, and others. The legion of candidate deputies is being replenished with new names. Will that benefit anyone? The people, who have been fooled by virtually identical slogans, appeals, and promises, have less and less faith in the real benefits produced by these unending political battles.

NDR Submits List of Candidates

LD0509215495 Moscow INTERFAX in English 1945 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — The executive committee of the Russia Is Our Home [NDR] movement has transferred the movement's federal list and the list of candidates whom the movement will field in single-mandate constituencies to the Central Election Commission for registration.

Deputy Chairman of the Russia Is Our Home Movement's Executive Committee Vladimir Ryzhkov, who is No. 12 on the movement's federal list, told INTERFAX today that the movement had not altered its lists of candidates since their adoption at the movement's Second congress on September 3.

The movement's top three candidates are Russian Prime Minister Viktor Chernomyrdin, film director Nikita Mikhalkov and General Lev Rokhlin.

Ryzhkov said that legally the movement's executive committee could withdraw any candidate from the movement's federal list. However, Ryzhkov believes that the executive committee is unlikely to have to use this right.

Shakhray Seeks Alliance With Regions

LD0409134395 Moscow ITAR-TASS in English 1330 GMT 4 Sep 95

[By Nadezhda Potapova]

[FBIS Transcribed Text] YEKATERINBURG, September 4 (ITAR-TASS) — Sergey Shakhray, the leader of the centrist Party of Russian Union and Accord (PRES), has begun negotiations on a possible election alliance with the newly elected governor of the Sverdlovsk region, Eduard Rossel.

Rossel heads a regional movement, Transformation of Russia, which includes the Urals and Siberia.

Rossel is a good match for Shakhray who advocates greater freedom for regions. Rossel was sacked from the post of the region's administration head by Russian President Boris Yeltsin in 1993 for his drive to establish a Ural Republic and obtain greater independence of his region.

In addition, both leaders are unanimous in their belief that a new Duma should consist of "professionals from the province."

The move followed Shakhray's break-up with the Russia Is Our Home movement (NDR) led by Russian Prime Minister Viktor Chernomyrdin last week. Shakhray explained his decision by the fact that Chernomyrdin's bloc "is seeking to build a new party rather than an election movement."

"Given this, PRES would like to preserve its independence as a political party," he said.

In August, Rossel won the gubernatorial elections in the Sverdlovsk region, defeating his major opponent, the-then governor Aleksey Strakhov, backed by NDR, delivering yet another serious blow to Chernomyrdin's coalition.

Rossel said on Monday his movement will also seek to establish an alliance with other parties and movements, including the Congress of Russian Communities of Yuriy Skokov.

Transformation of Russia plans to hold a congress in late September.

Agrarians Attack Property Referendum

LD0509191395 Moscow ITAR-TASS in English 1629 GMT 5 Sep 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, 5 Sep (ITAR-TASS) — The intention of Russian Prime Minister

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Viktor Chernomyrdin to hold simultaneously with the election to the State Duma a referendum on private property on land was criticised on Tuesday by the congress of the Russian Agrarian party and at a news conference of the "Forward, Russia!" movement.

Speaking at the congress of agrarians, Russian Deputy Prime Minister Aleksandr Zaveryukha said that rural producers should have "the sacred right of property" on "means of production and the end product," not on land.

Boris Fedorov, leader of the "Forward, Russia!" movement, described Chernomyrdin's intention to hold a referendum on the introduction of private property on land as a "populist" intention pursuing the aim of "thus distracting society's attention from the problem of the government's efficiency."

Fedorov recalled that the right of private property has already been registered in the Russian Constitution and hear it would be more expedient than holding the referendum to hear the account of Zaveryukha responsible for the agrarian sector and Agriculture Minister Aleksandr Nazarchuk, who object to the introduction of private property on land.

Fedorov said Zaveryukha and Nazarchuk have considerable influence on the agrarian faction in the State Duma and obstruct market reforms in rural areas during the passage of laws, specifically, the Code on Land.

Zaveryukha's obvious opposition to the head of the cabinet in matters of private property on land and market reforms in rural areas raise ever more questions regarding the unity of the Cabinet of Ministers. It is characteristic that Zaveryukha deemed it possible to address the election congress of agrarians in office hours when he should have been minding his duties as deputy premier.

Agrarians Criticize 'Ruling Regime'

LD0509103095 Moscow INTERFAX in English 0932 GMT 5 Sep 95

[FBIS Transcribed Text] Moscow, Sept 5 (INTERFAX) — The Russian Agrarian Party considers Russia Is Our Home [NDR] movement led by Prime-Minister Viktor Chernomyrdin its main rival in the December elections to the Duma and the Communist Party of Gennadiy Zyuganov its key ally. The declaration was made at an extraordinary congress of the party in Moscow Tuesday.

According to the party leader Mikhail Lapshin, Chernomyrdin's alliance that came out with the initiative of a referendum on private land ownership "is trying to launch a devilish mechanism of the uncontrollable sale and purchase of land." In his opinion this new redistribution of land "will put a complete end to social and economic stability which radical reformers are so keen on."

Lapshin said trade in land, except plots for gardening and the construction of family homes, must be banned by law. He stressed that under the land code approved by the Duma in the first reading the sale of land to foreigners is prohibited.

According to Lapshin, agrarians regard the ruling regime as directed against the people, nation and farmers. "As a result of the government following the instructions from the International Monetary Fund agricultural production shrank by half compared to 1990, the size of fields by 15 million hectares and the number of cattle by 30 million heads," Lapshin said.

The election program of the party which is to be approved by the congress along with lists of candidates contains as its key provision the restoration of popular government in the form of Soviets of all levels, the restoration of the USSR on a voluntary basis, the priority advancement of agriculture and related industries to revive the national economy as a whole.

Agrarian Party Ends Congress

LD0509203695 Moscow INTERFAX in English 1943 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — The Fourth Congress of the Agrarian Party of Russia ended with a message of unity on the eve of the December parliamentary elections. The congress approved the bloc's election platform and lists of candidates for the State Duma running both on the federal list and in single-mandate constituencies.

An INTERFAX correspondent reported that Agrarians plan to act under the slogan of "Fatherland, Democracy, Justice and Prosperity." They believe that the bloc's political program reflects the interests of peasants, workers, intellectuals and patriotic businesspeople and is aimed at building civilian society, protecting social, economic and political rights.

"Russian peasants want power, viewing it as a responsibility before the people and the law, in order to save the country from crisis and economic decline," a Party statement issued at the congress stated.

The bloc also announced what it called a well-considered and scientific program for development of the agro-industrial complex.

The congress stated that the land "belongs to peasants, with the right to use it without private land ownership." The delegates spoke in favor of the private ownership

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of garden plots and of the land used for housing construction.

Agrarian Party leader Mikhail Lapshin, Russian Deputy Prime Minister Aleksandr Zaveryukha and the Agrarian Union of Russia head Vasiliy Starodubtsev are at the top of the list of candidates for the State Duma approved by the congress.

Russian Agrarians must not follow the path of the democrats who "deserted the ravaged and disrupted country," Lapshin told INTERFAX. Agrarians want to make Russia powerful and prosperous, he said.

The Agrarian Party of Russia bloc has "clear political and economic programs which take into consideration the specific features of modern Russia and reflect its needs," said Lapshin.

Rybkin's Message to Agrarian Congress

MM0509145495 Moscow TRUD in Russian 5 Sep 95 p 1

[Message from State Duma Speaker Ivan Rybkin to Agrarian Party Congress delegates: "Large Assembly of Peasants;" first paragraph is TRUD introduction]

[FBIS Translated Text] The Agrarian Party of Russia's congress opens today. State Duma Chairman Ivan Rybkin has sent greetings to its delegates on the instructions of 57 parties and movements. The message reads as follows:

"Dear Friends! The elections for the sixth Russian State Duma take place 17 December 1995.

"For us Russia has always been, and remains, our dearest possession. It is like our own dear mother — our only mother, with all her strengths and weaknesses.

"We have no other Land than the one which feeds us all **together**. We have no other history, and our future will be shared together.

"Right now the country is experiencing very hard times. Because of mistakes committed by the government during the reformation of society, Russia finds itself in a profound crisis.

"Everywhere we see factories and plants standing idle, the gigantic slump in production, the growth of unemployment, the loss of scientific and technical achievements and of many social gains, and the crisis of culture.

"The slump in agricultural production continues, working and living conditions are deteriorating, the countryside is becoming depopulated while the average age of those who remain is increasing, and the social and cultural infrastructure is collapsing. The country's food supplies and its independence, indeed, the future of Russia, are under threat.

"This position leaves us, Russia's citizens, faced with a choice: Either we unite and at long last make the reforms more humane, or we resign ourselves to the position of second-class citizens in our own Fatherland, allowing our resources to be squandered still further.

"This is why more than 50 public organizations and movements representing all strata of society and all Russia's regions and peoples have created an election bloc and elaborated a program for decisively changing the reforms, and are prepared to nominate their own candidate deputies, who after winning the elections, are capable of bringing about without delay a tangible improvement in the situation in the country, and in the countryside in particular.

"We believe in a prosperous, mighty Russia. We know how to achieve this.

"There are no contradictions or disagreements among us which cannot be overcome. Why should we go into the parliamentary elections disunited, thereby delighting our rivals?

"Our collectively adopted decision is as follows:

"The conference confirms the intention of Ivan Rybkin's electoral bloc to join forces in the State Duma elections with the Agrarian Party of Russia, the Agrarian movement, the 'Russia's Trade Unions — Into the Elections' association, the United Industrial Party, and other public associations of a left-center orientation, up to and including the formation of a united electoral bloc."

"We will stand together, and by so doing we will win.

"We propose to form a united bloc with single central and regional lists, and a single list of candidates in single-seat districts. All this can be done without delay.

"With sincere respect,

"I.P. Rybkin"

More on Agrarian's Expulsion of Rybkin

MM0509143395 Moscow SOVETSKAYA ROSSIYA in Russian 5 Sep 95 p 2

[Report by Yu. Nikolayev: "He Left the Agrarian Party of Russia"]

[FBIS Translated Text] Yesterday, on the eve of the opening of an extraordinary congress of the Agrarian Party of Russia [APR], a plenum of its Central Council was held. APR Chairman M.I. Lapshin familiarized

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

those present with the theses of the upcoming report to the congress and briefly characterized the political situation in the country. The plenum examined the federal list of candidate deputies of the State Duma and the list of candidate deputies from the Agrarian Party for single-seat districts in the December elections. Proposals were made relating to candidacies for the Central Electoral Commission from the electoral association.

At the suggestion of the APR Central Council Board the plenum also examined the question of I.P. Rybkin. Against the expectations of many people, this did not elicit a sharp debate. It was merely noted that State Duma Chairman I.P. Rybkin, member of the Agrarian Party and of its Central Council and Board, had recently ceased to participate in the work of the party's elected organs and had also lost his connection with the party itself, which had brought him into the Russian parliament and to his present post of speaker....

Admittedly, retorts from the hall proposed making appropriate assessments of the apostate's behavior.

M.I. Lapshin familiarized those present with Ivan Petrovich's repeated assurances that he would join no other electoral associations nor create any electoral blocs without the APR's knowledge.

"I.P. Rybkin gave such assurances the last time to all 27 members of our board literally on the eve of the final registration of the now well-known left-centrist bloc, which he heads," M.I. Lapshin said....

The Agrarians' plenum released I.P. Rybkin from party membership and from all elected posts, so that he should not discredit the organization.

I.P. Rybkin himself did not come either to the board session or to the APR Central Council plenum. But he conveyed his appeal to the delegates of the party's opening extraordinary congress through government communications channels. In it he urged the party to nominate a single list of candidate deputies with his bloc. The plenum resolutely rejected that proposal.

YABloko Debates Election Race

LD0209112995 Moscow ITAR-TASS in English 1108 GMT 2 Sep 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, September 2 (ITAR-TASS) — The main task of the second congress of the All-Russian political association YABloko (Eds: abbreviation of three names of its founders Yavlinskiy, Boldyrev and Lukin) is to approve election lists of candidates for the coming general elections to be held on December 17.

The congress also debates programme-making documents of the association as well as practical issues of the election campaign.

The congress is attended by 268 delegates from over 60 territorial branches.

Delivering the key report at the congress, YABloko leader Grigoriy Yavlinskiy stressed that the association believes it necessary to participate in the elections, since Russia is now at a crossroads, and its destiny will be determined over the next few years.

"There are grounds to believe that Russia may become an oligarchic, monopolist and criminal state over the next few years, which will be in an economic crisis. Since we feel responsibility for a way Russia will take, we decided to participate in the elections," he noted.

Yavlinskiy called professionalism, responsibility and rejection of cheap populism among the main principles of his association. Its slogans are dignity, law and order as well as justice. "The state for us means public education, health and security of citizens," he underlined.

Yavlinskiy noted that YABloko expresses the interests of the Russian middle class: engineers, researchers, doctors, the military and skilled workers. "We want every man, working eight hours a day, to consider himself as belonging to the middle class," he added.

Speaking about foreign policy issues, Vladimir Lukin, a founder of the association, said that this should be a policy of realism and enlightened patriotism. "According to our principles, we regard ourselves Russian people, and therefore, European," he continued.

"Russia is a very special but, all the same, part of European civilisation." Lukin also pointed to the need for starting integration of post-European space, "however, not the Yugoslav way".

Aleksey Mikhaylov, chairman of YABloko's programme commission, said that the association's platform differs from that of other parties and movements. He added that it is not a slogan-programme but an analysis-programme, consisting of four booklets: a declaration, political platform, economic programme and a report-back of the YABloko parliamentary group on its 18 months of work.

Mikhaylov stressed that "we need not stabilisation of the developed political and economic situation but its reform". In Mikhaylov's opinion, reforms should be gradual and at the same time oriented on quick results. They should be conducted in the interests of the main mass of population "and not a handful of the most lucky and enterprising".

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

It is planned that the federal list of candidates will be topped by Yavlinskiy, chairman of the State Duma (Russian parliament lower house) International Affairs Committee Lukin and deputy chairwoman of the Duma Committee on Labour and Social Maintenance Tatyana Yarygina.

According to earlier reports, the association leadership differed with Yuriy Boldyrev who was a founder of the association in 1993.

According to the latest public opinion polls, YABloko may count on nine percent of votes at the coming elections.

Boldyrev-YABloko Split Assessed

MM0509134895 Moscow KOMMERSANT-DAILY in Russian 5 Sep 95 p 3

[Report by Natalya Arkhangelskaya: "The Slimmed-Down YABloko Could Do With a Little Bodybuilding"]

[FBIS Translated Text] YABloko's second congress, at the weekend, was the first event opened to the press by this public association created some six months ago. By an ironic quirk, the congress became the scene of the greatest scandal in YABloko's history: Yuriy Boldyrev, member of the Federation Council and one of its founders, left the association. In addition to the unpleasant fact of dissent within the hitherto monolithic YABloko, this could result in the loss of numerous voters in St. Petersburg where Boldyrev is extremely popular.

Such decisive actions on Boldyrev's part were due to his disagreement with the draft laws "On Production Sharing" and "On the Central Bank" in whose drafting the Duma YABloko faction took a most active part. Boldyrev is convinced that these laws can only damage the motherland, while his former colleagues believe that not quite ideal laws are of more use to the motherland than no laws at all. A session of the association's leadership, held prior to the congress, worked out (with Boldyrev's participation) a list of amendments to improve the above laws, and expressed the hope that YABloko's No. 2 will not cause a fuss and spoil the association's image in the runup to elections. Boldyrev, however, made a fuss after all, indicating that his own image is more important to him than YABloko's.

A number of circumstances suggest that Boldyrev no longer needs YABloko. He is not going to run in December; he has already made his choice between the deputy's seat and the position of deputy chairman of the Comptroller's Office. The Comptroller's Office, designed to monitor budget implementation, gives him broad possibilities for a further painstaking molding of the image of "people's consciousness" that this young and ambitious politician has chosen for himself. Furthermore, the impression is that he is no longer content with the No. 2 position with respect to Yavlinskiy, of whom he is rather jealous. Witnesses say that when in the runup to previous elections the question of giving the election bloc a name came up, one suggested option was "the Yavlinskiy bloc." Boldyrev's reaction to this proposal was very negative.

And finally, he is unhappy with what he regards as the YABloko leadership's weak capabilities when it comes to controlling its members in the organs of power, in particular in the Duma faction. Boldyrev advocates an imperative mandate in its most rigid form, including the expulsion of dissenters not only from the association but also from the Duma (such a mechanism could be worked out in principle). Other leading members propose to employ only moral methods of influence. Incidentally, the Yavlinskiy faction in the Duma (along with the Communist faction) is already one of the tightest and most disciplined. During its existence only one deputy has left, and one was expelled for going his own way.

Dissent within YABloko is already being stamped out quite ruthlessly, and this fully manifested itself in the drawing up of party lists for the next elections. As KOMMERSANT-DAILY reported earlier, there was no place on the central [federal] list for one of the most authoritative Duma faction members, Mikhail Zadornov, who was invited to head a regional list in the Far East: That was the retaliation for the Duma budget committee chairman's independent position in a number of votes. In principle this region is considered feasible for YABloko, but a place on the central list is regarded as a special recognition of merit. A similar fate was in store for another well-known Duma member, Viktor Sheynis, but in his case justice was redressed: In the end he was given a place on the central list. The list will be headed by Yavlinskiy himself; Vladimir Lukin has moved from third to second position, and third is Tatyana Yarygina, a State Duma deputy, as, incidentally, are all the others figuring on the central list, except two: Boris Misnik, chairman of the Russian Mining and Metallurgy Trade Union; and Mikhail Yuryev, vice president of the Russian Business Roundtable. Why the latter is needed on the list is quite clear, and trade unions, in addition to certain financial capabilities, also have some organizational ones which can be very useful, for instance in collecting signatures.

The YABloko election office chief is Yevgeniy Sobakin, also a businessman, vice president of the Rikor financial group, and familiar with political campaign management only in theory. The explanation of such an unorthodox decision may be as follows. Under the law, a party

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

may not spend more than $2 million on the election campaign. According to expert estimates, at least 10 times that sum is actually needed. Therefore the rest will have to be raised in "black [illegal] cash." An election bloc's official sponsors (as Mostbank is with respect to YABloko) usually cover the expenditures that are the easiest to monitor: advertising in the mass media and elsewhere. Unofficial sponsors, who are easier to recruit among small and medium-size businessmen who are not in the limelight, are entrusted with such hard-to-monitor spending as meeting the costs of staff, signature collection services, and so forth. In a conversation with your KOMMERSANT-DAILY correspondent, Sobakin confirmed that for the period of the election campaign he suspends his entrepreneurial activity, and juridically this must really be so. In real life, however, having certain connections in the business world, he can be most useful precisely in this sphere. And still Yavlinskiy runs a serious risk by leaving his staff without experienced political campaign managers.

Now his image maker is a professional, who, moreover, says that he works not for money but for love. He is Yuriy Lyubashevskiy, president of the Dyagilev Center, who introduced himself to your KOMMERSANT-DAILY correspondent as a psychologist, sociologist, and artist in the broad sense of the word. Some of the positive changes in Yavlinskiy's appearance (in particular a haircut more appropriate for a politician) are his work. As are his new rhetorical devices which congress participants were able to appreciate. Also working on Yavlinskiy's image will be his adviser on culture, Aleksandr Nevskiy, a person well known in certain quarters, who came second in a world bodybuilding championship and who also holds the title of "Mr. Universe." Like George Bush, who in his time invited Arnold Schwarzenegger as an adviser, our presidential candidate is in safe hands.

Trade Unions, Agrarians To Cooperate

LD0509115495 Moscow INTERFAX in English 0932 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — The public movement of "Russian Trade Unions for Elections" is planning to cooperate with the Russian Agrarian Party during the elections. This proposal was put forward in an appeal in the second phase of a conference of the trade union movement that opened in Moscow Tuesday. The appeal is addressed to delegates of the Agrarian Party's congress.

"In fact, we have the same ideals: a ploughed and sown field, a working machine-tool, work done in accordance with requirements and timely paid in a peaceful country," says the document.

"The Russian state has always held strong with the union of its towns and the countryside, the common interests, will and fate of people working in the field and workshops," says the appeal. "United efforts of trade unions and agrarians, our open, honest and sincere partnership are needed by the Russian people as never before."

The second phase of the trade union conference is expected to approve the creation of an election bloc of the movement and the Russian United Industrial Party.

The conference will also approve the federal lists of trade union candidates in the upcoming elections.

Unionists, Industrialists Form Bloc

MM0609102295 Moscow TRUD in Russian 6 Sep 95 p 1

[Report by F. Yemchenko: "In Alliance with Directors; Trade Unions Will Go Into Elections with Employers"]

[FBIS Translated Text] The all-Russia public movement "Trade Unions of Russia into the Elections" seems to have acquired an ally in the form of the Industrial Party. After lengthy discussions and consultations with various blocs and movements, the leaders of FITUR [Federation of Independent Trade Unions of Russia] received Vladimir Shcherbakov's agreement to go to the elections hand in hand. At yesterday's conference this alliance may be said to have been finally concluded. At any rate V. Shcherbakov, A. Volskiy, and A. Dolgolaptev, who were present at the conference, confirmed their wish to form a bloc with the trade unions. A new name for the bloc was approved — "Trade Unions and Industrialists of Russia-Labor Union."

Those who spoke at the conference rightly emphasized that the 17 December elections are almost the only chance for Russia to avoid a drastic social eruption. The drastic stratification of the population into superrich and superpoor cannot continue forever and no reserves of public wealth will be able to satisfy the growing appetites of young Russian capitalists, many of whom do not spurn criminal means of increasing their wealth.

To correct the course of the reforms which are being pursued and to direct it in the interests of all society, to implement the principles of social partnership and not confrontation, a responsible legislative branch of power is needed. The trade union leaders to all appearances consider themselves capable of fulfilling that historic mission. The preliminary lists of candidates for the future parliament include mainly the leaders of territorial and central trade union organs. That is a big mistake.

"If we win the elections," Aleksey Troshin, chairman of the Toms Oblast committee of the oil workers trade

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

union, stressed in his speech, "then FITUR as a single structure will cease to exist. All the leaders will be in the Duma."

It was heard at the conference that two candidacies — of the FITUR chairman and his first deputy — cannot be included simultaneously on the federal list of candidates. Especially as in the districts it is also planned to nominate the top leaders of trade union associations.

There is still time before the final approval of the lists. And to judge by the mood of the conference participants some amendments will be made to them. It was also stressed at the conference that the trade union leaders are late in resolving their main task — work directly with the working people, with those who will come to the polling stations.

Further on Unionists, Industrialists

LD0509144395 Moscow INTERFAX in English 1238 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — In their election campaign Russian trade unions will work together with the United Industrial Party (UIP). This decision was taken in Moscow on Tuesday by delegates to the 2nd phase of the conference held by the Russian Trade Unions to Elections movement, which involves over 30 labor unions.

The new bloc will hold its unifying congress on Friday. It is expected to adopt the following name: Russian Unionists and Industrialists — Labor Union.

As the chairman of the Federation of Independent Trade Unions Mikhail Shmakov told journalists, "it is possible to presume that tomorrow (INTERFAX's note: on September 6) the decision to form a bloc will be taken by UIP congresses and by the Union of Russian Industrialists and Entrepreneurs led by Arkadiy Volskiy."

The unifying conference will also approve the Labor Union's federal list of candidates. In the list the unions will be represented, along with Shmakov and his first deputy Aleksey Surikov, by the former commander of the Black Sea Fleet Admiral Igor Kasatonov, who is First Deputy Commander-in-Chief of Russia's Navy today.

Delegates to the conference also adopted their election platform, which focuses on social security and on ways to ensure people's right to work, to free education, to medical aid and to the revival of industry, on the basis of which "Russia as a whole will revive."

The measures the unions suggest to accomplish these tasks include an active use of the state regulation mechanism.

The unions' election platform provides for "defining the industries and facilities that can be owned only by the state, for verifying the legality of privatizing economic facilities and the possibility of nationalizing them again in the event of violations, and for stipulating that land is national property, which cannot be bought or sold."

Workers' Party Defines Objectives

LD0209170095 Moscow ITAR-TASS in English 1607 GMT 2 Sep 95

[By Mikhail Karlov]

[FBIS Transcribed Text] MOSCOW, September 2 (ITAR-TASS) — "Morality is critical to our efforts to build a new effective economy because a dishonest person cannot build an honest economy," academician Svyatoslav Fedorov said as he addressed the Second Congress of his Party of Workers' Self-Government in Moscow on Saturday.

The Congress which is being attended by more than 130 delegates from 64 Russian regions will nominate candidates to the State Duma and approve the party's pre-election platform.

The party has defined several objectives vital for the resolution of the current economic and political crisis in Russia. These include:

— creating effective incentives to encourage the producers of goods and services to work better through a stimulating tax policy, transfer of means of production to professionals, and a fair system of distribution of incomes and profits by workers themselves;

— reorganising state ownership into private-collective or private ownership;

— increasing the productivity and quality of labour as the only means of saving the country from its current crisis;

— encouraging free labour, creativity, high moral principles and honesty to ensure the prosperity of all members of society.

Fedorov believes that for Russia to build an effective market economy it needs five to six million enterprises, private or in collective ownership. He thinks this is a realistic task although it will take 10 years to fulfil it with 1,200 new enterprises emerging every day. In addition, these enterprises should be exempt from taxes for a minimum of 5-10 years. "I think 20 years would be a more realistic time span than 500 days in order

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to build a real market. However, even today with the available means of production we could increase labour productivity and production by 3-4 times," Fedorov said.

Workers' Economic Program Reviewed

MK0509133695 Moscow SEGODNYA in Russian 5 Sep 95 p 2

[Report by Viktor Khamrayev: "The Party of Workers' Self-Government Offers Voters Idea of 'Young Marx.' Svyatoslav Fedorov Needs Moral Economy"]

[FBIS Translated Text] Both socialism and capitalism have been found by the Party of Workers' Self-Government [PWSG] to be equally unfit to lead Russia out of the crisis and to foster market relations in the country.

Therefore, the PWSG, at its electoral congress held over the weekend, and at a gathering of delegates at the ophthalmologic clinic of its "parent," Svyatoslav Fedorov, proposed a kind of "third way." Having gone all this way — if the PWSG electoral program is to be trusted — the Russians will achieve a social order in which the material and financial needs of each worker are fully satisfied under an economy operating in accordance with the moral law.

The way proposed by the ophthalmology academician takes a fairly long time — 20 years — this being exactly the time, Mr. Fedorov believes, that is needed for 5 or 6 million enterprises with private or collective ownership to come into being in Russia. He holds that throughout the first 10 years, these enterprises must be exempt from taxes.

State-owned property is perceived by Mr. Fedorov as "the least profitable," which prompts him to urge its speedy privatization. The denationalization option chosen by the present government is absolutely unacceptable to Mr. Fedorov and his party, and they intend to strive to change it, after gaining access to the Duma, so that "the results of labor will belong to those who produce commodities and services, that is, to the working people." The PWSG leader does not envision any specific problems in changing the privatization scheme. All enterprises, according to Mr. Fedorov, must be transformed into close joint-stock companies, and that "can be achieved within a week." The academician is confident that it is only a close joint-stock company that gives an ordinary worker the right to participate in the distribution of income and profit, making him work "not for his salary, but for his interest in profit."

Thus, a possibility arises, Mr. Fedorov amplified in his report, to "boost labor motivation," which, in turn, will lead the country out of the economic crisis. The ophthalmologic microsurgery clinic, where the principles of self-government have been implemented to the full, is cited by the PWSG as an experiment that confirms the correctness of the party's guidelines.

At the same time, Mr. Fedorov told journalists that his party's ideas were far from new, as they had been "the ideas of young Marx." To this fact the ophthalmologist attributes the attraction his organization holds for some (of the former) communist leaders, who became disillusioned with directives and administrative regulation. Thus, among the guests invited to the PWSG congress was Ivan Polozkov, former secretary of the Soviet Russia Communist Party.

Gennadiy Zyuganov's Communist Party, however — together with the Liberal Democratic Party of Russia and "Russia Is Our Home" — is regarded by the advocates of working people's self-government as the adversary in the forthcoming election. Grigoriy Yavlinskiy has also been ranked among the PWSG's opponents because he once made a remark to the effect that an economy cannot be just. Mr. Fedorov, on the contrary, is confident that "economy can and must be moral." To substantiate his point, the academician draws on facts from the national history: "In 1913, 80 percent of Russian millionaires were [Orthodox Church] Old Believers."

Among the PWSG's allies, with whom the "self-governing" are going to coordinate efforts in single-seat constituencies, the congress cited the Democratic Party of Russia [DPR], the Agrarian and the Peasants' parties, and the Party of People's Conscience.

A supposed alliance between the PWSG and Stanislav Govorukhin's faction of the DPR and Aleksey Kazannik's Party of the People's Conscience did not come off for "technical reasons." The organization of the former Russian Federation Prosecutor General [Kazannik] has not yet been registered at the Ministry of Justice, whereas the representative powers of the DPR film director [Govorukhin] have not been legally confirmed. Therefore, trying to avoid misunderstanding when registering with the Central Electoral Commission, the PWSG bloc is de jure heading for the election independently. The top three on the federal list are Svyatoslav Fedorov, Aleksey Kazannik, and Aleksandr Porokhovshchikov, a movie man. Besides, Mr. Fedorov will be running in a single-seat constituency in Cheboksary (the capital of Chuvashia), where he embarked on his surgeon's career.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Free Trade Unions Bloc Formed

LD0209150595 Moscow INTERFAX in English 1303 GMT 2 Sep 95

[FBIS Transcribed Text] MOSCOW REGION, Sept 2 (INTERFAX) — The Democratic Russia federal party (FPDR) and the Confederation of Free Transportation Unions have set up a Democratic Russia — Free Trade Unions election bloc.

The two organizations decided to do so during the FPDR's emergency congress in a Moscow suburb Saturday. The congress was attended by 65 delegates from 45 regions of Russia.

The Democratic Russia leaders said that their party had branches in all of Russia's regions. The Confederation of free Transportation Unions was founded by 12 free unions, among them the Federation of the Air Traffic Controllers' Unions, Russia's Union of Engine Drivers and a number of regional unions.

On the same day the newly set-up bloc will hold a conference to draw up a federal list and propose candidates in single-mandate districts. The federal list is likely to be headed by Galina Starovoytova, Lev Ponomarev and Gleb Yakunin.

Free Trade Bloc Names Candidates

LD0309140795 Moscow INTERFAX in English 1335 GMT 3 Sep 95

[FBIS Transcribed Text] MOSCOW REGION, Sept 3 (INTERFAX) — The co-chairmen of the Democratic Russia movement, Galina Starovoytova, Lev Ponomarev and Gleb Yakunin, will top the federal list of candidates to the State Duma from the Democratic Russia-Free Trade Unions electoral bloc, the bloc decided at its conference in the Moscow region Saturday [2 September].

The electoral bloc has been created by the Democratic Russia party and the Confederation of Free Trade Unions of Russian Transport.

The bloc's federal list is made up of 114 candidates. The bloc also plans to field 43 candidates in single-mandate constituencies.

Starovoytova told the conference that "Russians are becoming dissatisfied with democracy step by step." She said she believed that democratic achievements "have been premeditatedly liquidated since 1993."

"Yeltsin is no longer the reforms' leader," Starovoytova said. She also said she believed that the creation of numerous democratic parties was "an objective process." "Their creation cannot be explained just by the political leaders' ambitions," she said.

Starovoytova said she deemed it necessary to consolidate democratic forces in Russia because of "the threat of fascism and political extremism in the country." She said she regretted that the Democratic Russia movement had failed to unite with the Russia's Democratic Choice party, the YABloko and the Republican Party.

Ponomarev said at the same conference that the Democratic Russia's proposals on forming a bloc with these democratic parties had been rejected without sufficient explanations. "In particular, the YABloko has blamed the negative repercussions of the reforms in Russia on the Democratic Russia," he said.

Union of Muslims Holds Congress

LD0109152795 Moscow ITAR-TASS in English 1254 GMT 1 Sep 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, September 1 (ITAR-TASS) — The first congress of the Russian public and political movement "The Union of Moslems of Russia" (SMR) opened in the cinema-and-concert hall "Rossiya" on Friday.

The agenda of the forum includes the approval of the SMR political statement and its organisational structure, as well as the adoption of a decision on the SMR participation in the parliamentary elections. The congress will subsequently consider and approve a list of candidates.

The Union of Moslems of Russia is seen by the participants in its congress as a direct successor to the Union of Moslems first established in the country in 1905.

After receiving a blessing from the Mufti of the Penza region, the floor was taken by the General Secretary of the recently re-established movement, Akhmet Khalitov.

He began by attacking the press "which pictures the Moslems in a distorted way as fundamentalists who are allegedly also terrorists and extremists."

The Secretary's hour-long speech was permeated with ideas of the moral and spiritual preeminence of the Moslems over all other believers. "Our Moslem morality towers a head above the spiritual values which the West lives by," he said. "Eastern goodness is a powerful force which keeps us alive amid slander and lies about the Moslems," the Moslem leader stressed. "The Moslem states have given the world models of social justice," he insisted.

The former ally of Vladimir Zhirinovskiy is known to hold LDPR [Liberal Democratic Party of Russia]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

membership card No. 2, even though he has suspended his membership in the Liberal Democratic Party of Russia because of differences with the L[illegible]PR leader.

In his address to the SMR congress today the SMR chief called for "putting an end to endless distortions of history," referring to tradition, according to which 1,000 years ago, all Russian cities and rivers bore Turkic, not Slav names.

In his words, the chief task for the Moslems of Russia is now to unite, and this objective underlies the re-creation of the Union. The next objective is to take part in the parliamentary elections and form a caucus in order to represent and defend the interests of the Moslems in the State Duma lower house of parliament, he said.

Following that, the Moslems must ensure their proportional representation in the presidential structures and the government of the Russian Federation, SMR chief said.

"If we delegate Moslems to all structures of the state administration in proportion to our numbers, then all anti-Moslem actions will be suppressed at their inception," he said.

Akhmet Khalitov admitted that the news of recreating the Union of Moslems met with a mixed reaction: it evoked enthusiasm on the one hand and "immense apprehension" on the other, he said. "The Christian leaders were worried" by the news, he said.

As is known, Patriarch Aleksiy of Moscow and All Russia, the head of the Russian Orthodox church, made a statement earlier this week expressing concern about the intention of the Union of Moslems of Russian to nominate candidates for seats in the State Duma.

The Russian Orthodox Church is against taking the religious factor into the political struggle, he stressed. The SMR initiative "might bring about confrontation in Orthodox-Moslem relations and give rise to a new split in society," the Russian religious leader warned.

One of the initiators of the re-establishment of the Union of Russian Moslems Abdoul-Vakhet Niyazov, who is also the head of the Islamic culture centre in Russia, told ITAR-TASS today that during the Orthodox Christian leader's meeting with a delegation from the Islamic community on Thursday, which he himself attended, the sides agreed that spiritual and religious organisations should not take a direct part in the election campaign.

But as Russian citizens, individual representatives of Islam may participate in the country's political life, Niyazov said. "We understand the apprehensions caused by the fact that religion is a force that can be used as a double edged weapon, and we are in full solidarity with the Patriarch on this," he explained.

The Spiritual Administrations of the Moslems in Russia will not take part in the elections as organisations, which will not prevent their individual representatives from running in the election, Niyazov added.

The creation of the Union of Moslems of Russia was viewed positively on the whole by the leader of the Communist party of the Russian Federation, Gennadiy Zyuganov, who attended the congress as a guest of the Union.

He said in an interview with ITAR-TASS that it was necessary to give equal attention to "all three world religions which have always played a major role on Russian territory."

'Vybory' System Not To Be Used in Elections

MM0609103495 Moscow SEGODNYA in Russian 6 Sep 95 p 1

[Report by Petr Pavlov under the "Preparation" rubric: "'Vybory' System Will Not Be Used in Upcoming Parliamentary, Presidential Elections"]

[FBIS Translated Text] Addressing an all-Russian telephone conference devoted to the upcoming State Duma elections yesterday, Nikolay Ryabov, chairman of the Central Electoral Commission, said that the "Vybory" state automated system will not be used in the upcoming parliamentary elections or in the 1996 presidential elections. Mr. Ryabov recalled that the program for introducing the "Vybory" system is scheduled to run until the year 2000, while some of its components will be tested in the next elections.

Nikolay Ryabov also said that a total of 280 billion rubles have been allocated from the state budget to finance the elections, of which 180 billion will be spent to fund the operation of electoral commissions.

Sergey Filatov, presidential chief of staff, speaking at the same telephone conference, called for severe steps to be taken to make sure that no criminal elements will enter the Duma. Mr. Filatov said also that Boris Yeltsin is paying close attention to questions regarding the preparation and conduct of elections and analyzes the situation that is coming about in the country. In Sergey Filatov's words, a direct phone line has been set up in the Presidential Staff so that people can ask questions about elections. Mr. Filatov thinks that "the more people turn out to vote, the fairer the elections will be."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Military, Nuclear & Space Issues

Strategic Missile Staff Chief Interviewed

MM0609092395 Moscow KRASNAYA ZVEZDA in Russian 2 Sep 95 p 4

[Interview with Colonel General Viktor Yesin, chief of the Strategic Missile Forces Main Staff, by Aleksandr Dolinin, under the "Interlocutor of the Day" rubric; place and date not given: "Nuclear Missile Parity Is an Outmoded Concept, According to Col. Gen. Viktor Yesin, chief of the Strategic Missile Forces Main Staff, Who Considers the Prospects for Ensuring Russia's National Security" — first two paragraphs are KRASNAYA ZVEZDA editorial introduction]

[FBIS Translated Text] From the KRASNAYA ZVEZDA file. Col. Gen. Viktor Ivanovich Yesin. Born in Moscow 14 February 1937. Completed the fourth course at the Moscow Aviation Institute and graduated from the F.E. Dzerzhinskiy Military Academy and the General Staff Military Academy. He joined the Armed Forces in August 1959. He began his service in the Strategic Missile Forces as chief of a launch battery squad.

He is married. He has a daughter and a son.

[Dolinin] Viktor Ivanovich, nuclear missile parity with the United States, the leading world power, was achieved at the cost of great efforts by our people. Achieved in the early seventies and subsequently maintained, it ensured military-political stability in the world. Great credit here belongs to the Strategic Missile Forces. Is parity no longer something we need speak about today?

[Yesin] In view of the changed circumstances in the world nuclear missile parity has become an outmoded concept, according to the established opinion. As the new military doctrine states, Russia has no enemies capable of launching a large-scale war. Furthermore, it must be understood that even if Russia were economically prosperous it could not ward off a threat from the rest of the world single-handedly. That is unrealistic. But this does not mean that national security questions have become of secondary importance or that we have become complacent. Russia has its own interests. Furthermore, the military-political situation in the world could change. Consequently what we have to do now is not strive after parity but have the kind of nuclear potential capable of deterring any aggressor from making fatal decisions. That is the purpose of the strategic nuclear forces whose basis is the Strategic Missile Forces. It is thanks to the Strategic Missile Forces that Russia's national security is guaranteed today.

[Dolinin] In a peaceful world there is no alternative to reliance on relations of partnership among states, but they can only be achieved if you have real partnership. But when people deal with the weak they use the language of diktat and impose their will on them. Russia is now economically weak. The belief is that there is only one great power left — the United States. Meanwhile we cannot make up our minds about either the structure or quantity of the Strategic Missile Forces.

[Yesin] Yes, there is no final clarity on the Strategic Missile Forces. However, their importance and role have been defined in our military doctrine. They are always at the center of attention of the country's political leadership.

As for the structure, this problem must be resolved comprehensively: The various components of the Strategic Missile Forces — the sea-, air-, and ground-based elements — cannot be viewed separately. Each of them has its own exclusive combat potential. Each one makes a different contribution to the potential of the Strategic Missile Forces. The cost varies too. The most appropriate principle here, in our view, is this: "Effectiveness — Cost — Feasibility." In the present economic conditions the final aspect — "feasibility" — becomes of crucial significance.

I am convinced that the Strategic Missile Forces are capable of resolving their set tasks only within the existing triad. Of course, the correlation among the components of the Strategic Missile Forces must be optimized. Their ratio should be determined by the contribution that they make individually to resolving national security problems. There must be no hasty decisions made when determining the composition and quantity of the Strategic Missile Forces.

[Dolinin] Viktor Ivanovich, in view of our country's political and financial situation, Western analysts believe that by the year 2000 the Strategic Missile Forces will be left with barely 80-100 launchers. However, according to the START I and START II treaties it is not hard to calculate that the planned figure was to be 800-900 if not more....

[Yesin] It is impossible say for certain right now what things will be like in 2000. Everything now depends on the state's economic potential.

If Russia sorts out its economic situation we will be able to achieve the estimated level in accordance with the international agreements. If it remains at this year's level, the Strategic Missile Forces grouping will be considerably reduced. But it will not be reduced to 80 launchers, of course. We are working to extend the operating life of missile systems. Recently it was

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

concluded that the Topol missile system which is currently in service could operate longer than the planned 10 years. Consequently this ground-mobile system will be retained in the future. That means around 350 launchers.

The unit of fixed, ground-based missile systems will also be retained. So that whatever happens by the end of this millennium there will still be a considerable Strategic Missile Forces potential, even though, of course, it will hardly correspond to programs previously elaborated and approved.

[Dolinin] How are things going with the Topol, which is stationed in Belarus?

[Yesin] There are 18 launchers left there. According to the timetable agreed by the two sides all the launchers are due to be withdrawn to Russian territory by the end of 1995. But this process has been suspended. The question is out of the military's hands. The Belarusian leadership's position must be fully understood. Yes, Belarus is a friendly state toward us but we simply do not have the means to maintain the "Belarusian" grouping. There are no funds at all planned for next year. If we are to maintain the launchers left there it is necessary to maintain the requisite staffs, units, and subunits and keep the military camps in the proper order. The most important thing is to ensure nuclear security in the broadest sense. Rear support, roads — these are also part of security. In short, a problem has arisen which the politicians have to resolve. I would like to believe that it will be resolved this year.

[Dolinin] What are the prospects for the modernized Topol M which is intended to be silo-based and mobile-based and on which hopes for the future are pinned?

[Yesin] In December last year, as you know, the first missile successfully underwent flight-design tests. The next tests are not far off. This is despite the fact that only 20 percent of the planned resources have been allocated to the second Topol M so far. In the light of this we are taking compensatory measures. The No. 4 Scientific Research Institute, the design "headquarters," and the industrialists have amended the program in such a way that we will cope with the Topol M in just a few launches. I think that we will make it work.

[Dolinin] Viktor Ivanovich, the state does not have sufficient resources for a deterrent, for social programs, and all the rest...

[Yesin] In other words, we do not have the funding for these items. What we do have are presidential edicts and government decrees. The Defense Ministry leadership is doing everything in its power, even more than that. But the Finance Ministry ignores the top leadership's directives and the disastrous plight of servicemen and their families.

We in the troops can barely scrape together the resources now to pay salaries and wages even one or two months late. We do not have the funds to resolve the socio-consumer problems of individual isolated military camps. Our reserves are exhausted. No one gives you anything without prepayment. The outcome of this is that the plan for winter preparations is only one-third fulfilled. What will the troops do in the winter, how will they survive, especially in the Transbaykal region, Siberia, or Kamchatka? Who will be responsible?

People do not understand or accept this attitude toward them. Why should they be left to suffer without water, gas, light, and heat when they are on alert duty 15-18 days a month? Why are unorthodox measures not adopted in such a situation? There were difficulties with the harvest so we allocated four battalions, which, by the way, are working without pay because the kolhkozes have no money either. Another need arose and students of the F.E. Dzerzhinskiy Military Academy and graduates of the Serpuhkovskoye Strategic Missile Forces Military College were sent to patrol the Moscow streets. Now around 2,000 servicemen have been detailed to the potato and vegetable harvest in Moscow Oblast. For almost four months we have been doing someone else's work. So why is no one indebted to us?

[Dolinin] Moscow is not moved by tears, as the saying goes, but can they really not understand that missile collectives have been unsettled for a long time now?

[Yesin] Yes, social tension is rising, particularly among officers and warrant officers. There have been no instances of outright refusal to go on alert duty. And the military council is grateful to missilemen for that. They understand the Strategic Missile Forces' role and significance. But how far can we exploit the sense of responsibility, enthusiasm, and patriotism of people in uniform? We cannot ask more than we are allowed to have. Just give us what we are allowed... [End of interview]

Our conversation with Col. Gen. Yesin, chief of the Strategic Missile Forces Main Staff, was interrupted by the need to go on alert duty. In the Missile Forces, as we know, everyone goes on duty, from a private to a commander in chief. One missileman in seven was at his combat post with the chief of the Main Staff that day and the shift lasted 72 hours without a break.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Further on Test Launch of New-Generation ICBM

LD0509121795 Moscow ITAR-TASS in English 1205 GMT 5 Sep 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, September 5 (ITAR-TASS) — On Tuesday, Russia successfully test-fired a new-generation intercontinental ballistic missile of Topol (Poplar) series which the military refer to as a "weapon of the 21st century". The test-firing was conducted at 11.50 from the Plesetsk test site of the Strategic Missile Forces.

The three-stage solid-propellant Topol-M strategic missile is unique in many respects. It has been developed with the participation of only national enterprises and design bureaus. Following the test-firings, it will be adopted by the Strategic missile forces to replace silo-based systems, the guaranteed storage period of which expire, a spokesman at the SMF Press Centre has told ITAR-TASS.

The Russian Topol missile is not only of benefit to the Russian Armed Forces due to its combat and operational characteristics but is also preferable to the taxpayers. It will require much lesser expenditure on both production and maintenance of missiles, Colonel-General Igor Sergeyev, SMF Commander-in-Chief, has told ITAR-TASS.

The uniqueness of the Topol missile is also in the fact that its performance characteristics fully correspond to all the limitation parameters provided for in the Russian-U.S. Strategic Arms Reduction Treaties.

The test-firing of the missile was watched by Yuriy Baturin, assistant to the Russian President on National Security Affairs, Andrey Kokoshin, First Deputy Minister of Defence, SMF C-in-C Igor Sergeyev, and by representatives from design bureaus and enterprises involved in the development and production of the missile.

Defense Workers Protest Wage Delays at Ceremonies

LD0609053895 Moscow ITAR-TASS in English 0530 GMT 6 Sep 95

[By Evgeniya Lents]

[FBIS Transcribed Text] VLADIVOSTOK September 6 (ITAR-TASS) — The workers of the "Vostok" shipyards in the Far East, who have not been paid their wages by the Defence Ministry for four months, decided to retaliate by spoiling WW2 end celebrations for Defence Minister Pavel Grachev who especially arrived for the purpose in the Far East.

They blocked the latest "Dragon" nuclear submarine from leaving the shipyard for demonstration to Grachev and kept the U-boat "prisoner" for four days, the local "VLADIVOSTOK" newspaper reported Wednesday.

"The workforce of Vostok, indignant at the four-month wage delay, decided to stage the unusual protest action instead of arranging for the show [to Grachev]", the daily said.

The action was carried out by for pensioners still working at the enterprise who used an old "Goliaf" tugboat to bloc the way for the sub out of the shipyard. The four pledged they "would fight to the end", the newspaper said adding that the Defence ministry's debt to the enterprise amounts to 57 billion roubles [13 million USD].

The submarine was "freed" by the workers only after the shipyard was visited by top Defence Ministry official Anatoliy Sitnov and deputy Navy Commander Valeriy Grishanov who promised to settle the wage delay problem.

At present the "Dragon" submarine is getting ready to sail to Kamchatka, its home port of call.

Nuclear Weapons-Derived Uranium Exported to U.S.

LD0509152795 Moscow ITAR-TASS in English 1349 GMT 5 Sep 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW, September 5 (ITAR-TASS) — Russia has exported to the U.S. an initial 120 million dollar-worth of uranium derived from scrapped nuclear weapons, Igor Kupriyanov, deputy executive of Tekhsnabeksport, a company affiliated with the Russian Ministry of Nuclear Power Engineering, told a news conference today.

Kupriyanov said exported uranium had been already paid for. The exports were initially somewhat behind the schedule, but are now following the contract timetable. He stressed that "Russia is not selling a single gramme of weapons-grade uranium."

After nuclear warheads are dismantled, uranium-235 is recycled into enrichment degree of 4.5 to 4.9 per cent, Kupriyanov said.

The Russian-American contract envisions U.S. inspections of "bomb" scrapping and uranium recycling.

The current list of exports of the Russian Ministry of Nuclear Power Engineering's includes uranium enrichment services and supplies to nuclear power plants of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

natural and enriched uranium, radioactive and stable isotopes, sources of ionising radiation, rare earth elements and their compounds, technologies for ore and concentrate processing.

The ministry has export contracts with most of West European major power companies.

Long-term contracts have been recently signed with companies of the United States, South Korea and South Africa.

Russia's total worth of nuclear exports exceeded 1 billion dollars last year.

Kupriyanov said Russia's exports presently contribute five-six per cent to the world uranium market, although its potential share of the market is estimated at 25-30 per cent.

Russia's technology for centrifuge enrichment of uranium has no analogies in the world.

Access of the Nuclear Power Engineering Ministry to the international market is impeded by an anti-dumping probe into Russia which was started by the U.S. two years ago.

The probe is underlined only competitive motives, Kupriyanov said.

Launcher Systems Exhibited at Aerospace Show

MM0509135795 Moscow Russian Television Network in Russian 0900 GMT 24 Aug 95

[Video report from Moscow Air Show's space exhibit by Aleksey Sholmov, identified by caption; from the "Informatsiya i Kommentarii" program; figures in brackets denote broadcast time in GMT in hours, minutes, and seconds]

[FBIS Translated Excerpt] [090645-090657 — Sholmov introductory remarks omitted]

[090658] [Sholmov over general air show and space exhibit footage] At present only Russia and the United States have a full-fledged space program. However, last year state subsidies for the civilian space program were cut by 80 percent, and for the military space program by 90 percent.

The launch plan was fulfilled only 50 percent last year. Seventy-eight satellites are now operating outside their guaranteed service period. The work force in the space sector has decreased by 30 percent and the number of scientific cadres has halved.

Unfortunately we cannot compete with U.S., European, or Japanese companies in building communication satellites or ground stations. Therefore the only niche where Russia can offer the world a genuinely competitive service is the launch sphere. In addition Russia has extensive experience in manned space flight and the construction of orbital stations. This is why the Khrunichev State Space Center is presenting the light-class launcher "Rokot" and the "Angara" and modernized "Proton" launchers at the Moscow Air Show.

[090758-090838 — passage omitted on interview with Oleg Sokolov, Khrunichev leading expert, who says Khrunichev is showing the modernized Proton-M to be launched next year, and a model of the Alpha station core module built under a contract with Boeing]

[090839] [Sholmov over Kompomash exhibit] The Kompomash Corporation is presenting a new-generation space launcher system "Riksha-1" which runs on environmentally safe fuel. It is designed to place space apparatus weighing up to 1.7 tonnes in low Earth orbits. [090853] [video shows general air show footage, space exhibit, Khrunichev expert interview, Kompomash exhibit]

Regional Affairs

Chernomyrdin Backs Nuclear Reactors' Construction

LD0509170595 Moscow ITAR-TASS in English 1615 GMT 5 Sep 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] KURSK September 5 (ITAR-TASS) — Russian Prime minister Viktor Chernomyrdin backed the plans for the construction of four nuclear reactors in central Russia and gave a go-ahead to a new bank which is to finance regional development projects.

He told a regional conference in the city of Kursk Tuesday that he supports tha plans of building two reactors at the Kursk and another two at the Voronezh nuclear power plants to solve the energy problem of the region.

Chernomyrdin also signed a government resolution on the creation of the All-Russian bank for regional development which is "to improve the financial mechanism of interaction between the centre and the regions".

The premier promised that the government will "keep prices on energy resources, but not to the detriment of power-engineering".

Grachev on Army Strength During Pacific Navy Tour

LD0509134195 Moscow INTERFAX in English 1238 GMT 5 Sep 95

[FBIS Transcribed Text] KHABAROVSK, Sept 5 (INTERFAX) — The Russian army is "militarily capable

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and reliably manageable as the guarantor of stability in our state at a time of strategic security in the world," Russia's Defense Minister Pavel Grachev has declared at a meeting with war veterans in Khabarovsk.

He had arrived in the Far Eastern city on Tuesday [5 September] as part of a working tour of the Pacific Navy, in Far Eastern and Baykal Military Districts.

"We have managed to stop combat readiness from declining and keep the troops under control," Grachev noted.

The current situation calls for "the formation of new groups of troops, in which mobile forces will play a major role, "the minister said.

According to him, the planned reduction of the army and navy personnel is underway, and the reorganization of the Defense Ministry's staff is continuing.

Grachev also reported that "active work is going on to complete a new military-technical policy, the basic goal of which is to solve comprehensively the tasks of equipping the army and navy with advanced arms."

"By and large, our activity proves that the government's course toward reforming the Russian armed forces is correct," the minister stressed.

Grachev voiced the conviction that the maximum numerical strength of the Russian army should be 2.1 million men rather than 1.7 million as the Russian military doctrine deemed necessary.

1.7 million men, according to Grachev, is the minimum numerical strength of the Russian army, capable of safeguarding Russia's national interests.

Decorates Marines in Vladivostok

MM0509144195 Moscow KRASNAYA ZVEZDA in Russian 5 Sep 95 p 1

[Report by Aleksandr Pelts under general heading: "The 50th Anniversary of End of World War II Reminds Us of Our Responsibility for Peace"]

[FBIS Translated Excerpt] Vladivostok — During these September days the capital of Maritime Kray — Vladivostok, which is distant but is ours — is particularly beautiful and smart. Festivities devoted to the 50th anniversary of the end of World War II are being held in the city. [passage omitted]

The Russian Federation minister of defense said that it was an excellently organized festival. "It is just what people were expecting," he said.

Within the framework of the festivities Army General Pavel Grachev, Russian Federation minister of defense, visited the marines division commanded by Major General Vitaliy Kholod. There, 4 September, the minister of defense presented high awards to many Pacific marines who had fulfilled combat tasks in the Chechen Republic, and personally inscribed weapons to Maj. Gen. Vitaliy Kholod and Colonel Vladimir Petrov. Addressing personnel, Army General Pavel Grachev said that he admires their courage and heroism and their loyalty to the oath and to military duty. Precisely 62 marines died in six months of fighting on Chechen soil. Two of them — Senior Lieutenants Sergey Firsov and Vladimir Borovikov — were posthumously awarded the title of hero of the Russian Federation. Eternal memory and glory to them!

I cannot fail to point out that the minister of defense also conferred the order "For Military Services" upon my journalist colleague — Lieutenant Colonel Vitaliy Ankov, KRASNAYA ZVEZDA's photocorrespondent.

The festivities in Vladivostok are continuing. The festival program has been designed through 9 September. The Russian Federation defense minister's working tour of the Far Eastern regions is also continuing. He flies to Khabarovsk Tuesday.

Grachev Visits Novgorod Stealth-Capable Radar Plant

MM0609080995 Moscow Russian Television Network in Russian 1900 GMT 26 Aug 95

[From the "Vesti" newscast: Video report from Nizhniy Novgorod "Nitel" plant by N. Zvereva, identified by caption]

[FBIS Translated Text] [video shows Zvereva against the backdrop of the "Nitel" plant] It appears that the Ministry of Defense is beginning to pay its debts to the defense industry. In any event, the Nizhniy Novgorod television plant has recently received 8 billion rubles of the 13 billion it is owed. However, this money was for paying out wages. The work force is even more interested in the fate of its radar stations, which are unparalleled in the world.

[Unidentified plant official talking to Grachev in the yard in front of a large radar station] This station makes it possible to see stealth-technology aircraft, the movement of clouds and wind, it....

[Zvereva over video of Grachev conversing with plant official and a brief glimpse of the radar station control panel] Although the Minister of Defense is on vacation, and is visiting Nizhniy Novgorod only to take part in a tennis championship, he was forced to attend to the fate of the unique radars in which there is interest abroad, and for which people are prepared to pay millions of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

dollars. However, this year the state order for these stations stood at "zero."

[Grachev, to camera] The situation is very difficult, of course; I would even describe it as critical. I am aware of my responsibility as regards the funding of this plant, especially since the output of this plant is ensuring the security of our state and the combat readiness of the Armed Forces to a considerable degree. [video shows plant exterior, large radar station in factory yard, glimpse of control panel, Grachev interview]

Pacific Fleet 'Completely Cash Starved'

MM0509160495 Moscow Russian Television Network in Russian 1900 GMT 26 Aug 95

[From the "Vesti" newscast: Video report from the Far East by O. Zhurman, identified by caption]

[FBIS Translated Text] [Zhurman over video of moored submarine] Russia's biggest fleet, the Pacific Fleet, is completely cash starved. As of the end of August, the fleet had received only 7 percent of [allocated] funds. Not a kopeck has been received for fuel purchases, ship repairs, and municipal services. Pacific Fleet debts total 800 billion rubles. Repeated entreaties to the commander in chief of the Navy and deputy defense minister for construction and billeting of troops have remained unanswered. Meanwhile the Maritime Kray Administration is threatening to cut off the power supply to all military units, arms dumps, and other fleet facilities for nonpayments over many months. [video shows moored submarine, marching troops, harbor scenes]

Moscow Leadership Wants Strong Northern Borders

LD0509203495 Moscow ITAR-TASS in English 2029 GMT 5 Sep 95

[By Vasiliy Belousov]

[FBIS Transcribed Text] MURMANSK, September 5 (ITAR-TASS) — The Russian president and government give special attention to the strengthening of Russia's northern borders, an area of great strategic and political importance, head of the Russian Federal Border Guards Service Colonel-General Andrey Nikolayev said in Murmansk on Tuesday [5 September].

Nikolayev arrived in Murmansk, where the staff of the Arctic border troops is located.

Nikolayev commented on the progress of the command and staff exercise of Russian border troops, Zapad '95, which is presently being conducted across a great area from Kaliningrad to the Arctic coast of Siberia. He said the aim of the exercise is the training of interactions between all services with responsibility for border security.

Lack of Public Interest in Politics Observed

954F3287A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 28 Aug 95 p 1

[Report by Vladimir Kuzmenkin: "We Are All Observers! One Out of Every Five Townspeople Has No Interest in Politics"]

[FBIS Translated Text] The election campaign is rapidly gathering speed. Television and the press are actively discussing the fortunes of the actual blocs and those that are barely such and are assessing the candidates' chances. The latter have already begun to collect voters' signatures (very inexpensive: 2,000 rubles each) and to prepare for congresses, a multitude of which will occur in the first days of September. Quite soon we shall be seeing in reality what the Polish caricaturist Marek Michalski depicted in his drawing. But it makes sense talking not just about politicians but about ourselves, the potential voters, as well. And figures speak best, as we know. So, then, according to the data of a poll conducted by the Russian Academy of Sciences Institute of Sociopolitical Studies, only seven out of 100 adult inhabitants consider themselves active citizens; three-fourths, on the other hand, observers. In addition, one out of every five townspeople, for example, has no practical interest in politics, and one out of every 13 could not care less!

The further we go, the worse it gets. In 1989 there was a turnout of Russians of 90 percent; in 1991, 74 percent; in April 1993, 64 percent; and in December of the same year, 53 percent. In the spring of 1994, activity had fallen to a critical point—less than 25 percent. True, some people believe that 17 December 1995 will change this trend. We shall see.

Communist Poll Against Nikolayev's Term Extension

MK0609094795 Moscow SEGODNYA in Russian 5 Sep 95 p 3

[Report by Oleg Kryuchek from Khabarovsk: "Yakutia May Receive Proposal That It Not Part With Mikhail Nikolayev Until 2001. Local Communists Recall That Referendum on Extending Presidential Term of Office Is Illegal"]

[FBIS Translated Text] A committee of activists has registered in Yakutsk and officially announced the start of a campaign among the residents of the Sakha-Yakutia Republic to collect signatures on a petition to hold a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

referendum on extending the term of office of Mikhail Nikolayev, the autonomous republic's incumbent president, to 2001.

SEGODNYA has already noted that, a month earlier, the republic's administration suggested that the public discuss this possibility in the local media, which, however, is largely controlled by the Yakut government. Judging by the workers' letters which have been published, the majority of the population is definitely against presidential elections as unnecessary and overly expensive and is at the same time satisfied with President Nikolayev's work.

A minor disruption has been caused in the orderly ranks of the referendum champions by procommunist organizations and some individuals who informed the readers of the republic's newspapers that by launching a campaign to promote a referendum, the republic's authorities are violating Article 67 of the Constitution of the Sakha-Yakutia Republic, as well as the Russian Federation Law "On Referendums." Mr. Kutuyev, a director of the "Yakutugol" company, who favors the referendum, noted, however, that the law is meant for the people to amend and amplify it from time to time.

In the event the decision on the referendum is made — for that, the action committee must collect 100,000 signatures, which presents no difficulty — the republic's residents will be asked to answer "yes" or "no" to the question: "Do you agree with extending until 20 December 2001 the term of office of Mikhail Nikolayev, president of the Sakha-Yakutia Republic, elected by popular vote on 20 December 1991?"

Strakhov's Campaign Manager Burbulis Interviewed

954F3316A Moscow ARGUMENTY I FAKTY in Russian No. 35, Aug 95 p 2

[Statement by G. Burbulis, State Duma deputy and manager of the Political Science Strategy Center, in an interview with ARGUMENTY I FAKTY correspondent A. Uglanov; place and date not given: "Who Stood Up for Strakhov"]

[FBIS Translated Text] Rumors emerged after the elections for governor of Sverdlovsk Oblast that Gennadiy Burbulis was the manager of the electoral campaign for the defeated Strakhov. What is more, it is said that he did this at the personal direction of B. Yeltsin. Our correspondent, A. Uglanov, met with G. Burbulis, a deputy of the State Duma and manager of the Political Science Strategy Center.

[Burbulis] My position on the elections of the head of administration of Sverdlovsk Oblast was voiced from the very beginning, and it comes down to the following. Under the conditions of the long personal confrontation of the two candidates—Rossel and Strakhov—the most favorable variant for the oblast would have been the emergence of a third candidacy that would have removed these irreconcilable contradictions and ensured the development of the oblast and the consolidation of all professional and healthy forces. But such a third candidate did not appear for a long time. Therefore, this is what my colleagues in the business club, which unites the leaders of large economic and commercial organizations of the oblast, agreed on.

It is more useful and pragmatic under these conditions to support Strakhov, in order not to implement the usual rearrangement of authority and people and changes in all of the managerial mechanisms and structures. But I did not take a personal and direct part in the elections, although the representatives of my Strategy Center and its Urals department worked actively with Strakhov's electorate. Moreover, and what is very important, they did not work in an organizational-practical sense, but in a conceptual sense, and this also should be kept in mind.

As for the results of the elections, it is necessary to treat them properly and to respect the choice of the people of Sverdlovsk Oblast. But it is necessary to understand that a key role in these results was played by the position of Valeriy Trushnikov, that same third candidate who was the chairman of the government in the administration of Rossel and the first person in the executive authority under Strakhov. It turns out that Trushnikov, after receiving 23 percent of the votes in the first round, was also that pragmatic figure who provided continuity and simultaneously the business-like character of authority. Therefore, Eduard Rossel's victory is also based on the current calculation of those votes and that ideological and practical orientation which Trushnikov carried. At the same time, Strakhov's final 33 percent is by no means little. This means that Russia Is Our Home under Strakhov's candidacy has the support at least of 33 percent of the active voters. Thus, it is necessary to treat the results of the elections without bias, not to rush to justify the defeat of candidate Strakhov, and to refrain from excessive exultation regarding Rossel's victory. This result should be accepted as legal and earned.

Now, as for Boris Nikolayevich Yeltsin. I would answer this way. For me, the direct association and personal responsibility in the work that he at one time headed remains absolutely indisputable. It acquired its formulation in the democratic reorganization of Russia. And in this capacity I always was and remain in his ranks as a staunch companion-in-arms and a person who is interested to the maximum extent. I will never disavow that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

which links us in this strategic policy—neither mutual mistakes, nor inadequacies, nor weaknesses. None of this will be able to deprive me of a feeling of amenability and a feeling of solidarity with the president. But all of the rest... I believe that it is necessary to help Yeltsin today, while rejecting the grovelling "What do you wish, Boris Nikolayevich?" and trying to ensure that all of the virtues and all of the outstanding and useful qualities of the president are directed at work that improves the life of every individual Russian.

Sverdlovsk Campaign Costs Tabulated

954F3316B Moscow ARGUMENTY I FAKTY in Russian No. 35, Aug 95 p 2

[Article by Oksana Panova: "Rossel 'Costs' Less"]

[FBIS Translated Text] Yekaterinburg—The elections of the Sverdlovsk governor have been transformed from provincial news into an event of federal significance, and the whole country is following their progress. In a short time the oblast was visited by V. Zhirinovskiy, Yu. Nikulin, A. Tarasov, B. Fedorov, K. Borovoy, L. Agutin, and others who appealed for votes for Aleksey Strakhov. In addition, Strakhov's political commercials flooded the airwaves of Central Television, not to mention local television channels.

According to unofficial data, the elections cost Aleksey Strakhov 25 billion rubles [R], a big part of which are resources allocated by Gazprom of the Russian Federation. Russia Is Our Home gave its candidate not only material, but also moral support. On the eve of the second round of the elections, the arrival in the capital of the Urals of a political assault force from Moscow headed by Soskovets was expected. However, owing to the intervention of B. Yeltsin, this did not occur. The move of the president was rather subtle. On the one hand, it was necessary to demonstrate his impartiality. On the other hand, it was necessary to reserve for himself the possibility of reconciliation with E. Rossel.

E. Rossel's support fund was much more modest than Strakhov's—R2 billion. And this is not because there were fewer who desired to help Rossel rather than Strakhov. It is simply that the authorities employed every effort so that even the money already transferred to Rossel's named account did not get there.

Not counting the personal expenses of each candidate, R17.776 billion was expended on the elections from the oblast budget.

Bolshevik Party Faces Schism in St. Petersburg

LD0509144095 St. Petersburg Fifth Channel Television Network in Russian 1130 GMT 5 Sep 95

[From the "Inform TV" newscast]

[FBIS Translated Text] Beware of provocations! This was a statement for the mass media today from the information bureau of the Central Committee of the All-Russian Communist Party of Bolsheviks [ARCPB]. In this way the ARCPB, whose headquarters are in St. Petersburg, began a struggle against divisions within its ranks. Nina Andreyeva, leader of the real ARCPB, described the appearance of a twin party on the political scene as a bluff in the Goebbels style. According to her information, this party numbers only 22 people in all who either used to be members of the ARCPB and were thrown out or who tried to join but were not accepted.

What has happened has put the ARCPB on an equal footing with the parties and movements which have been overtaken by schism on the eve of the elections. Two unions of communists exist. Not long ago a scandal occurred over provocateurs acting in the name of Russian National Unity. As for the ARCPB itself, its true component, headed by Nina Andreyeva, is totally boycotting the elections to the Duma.

Dagestan Communist Plenum Nominates Candidates

954F3272D Nalchik SEVERNYY KAVKAZ in Russian 26 Aug 95 p 5

[Article by E. Urazayev: "Open Decisions of a Closed Plenum—Attempt Made on the Life of the New Leader of Dagestan's Communists"]

[FBIS Translated Text] Within the framework of preparation for the Russian Federation Communist Party Conference, Dagestan Communists have conducted a plenum of the Communist Party of Dagestan Republic Committee. The plenum was declared closed and took place under the shadow of another assassination attempt—this time against one of the leaders of Dagestan Communists, Sergey Reshulskiy, deputy of the Russian Federation State Duma on the Russian Federation Communist Party slate.

The attack against him took place the morning of the day of the plenum. An unknown young man dressed in sports attire suddenly came from behind and struck the deputy three times on the head and neck with part of a metal bar. The blows were inflicted when the deputy left his apartment building, where mostly high-level nomenklatura reside. S. Reshulskiy was sent to the emergency room of the republic's central hospital.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Doctors report that he is now out of life-threatening danger and will likely be discharged in several days.

In a statement, the plenum assessed the attempted assassination as an act of political terrorism and an attempt to eliminate a rival.

It is this turn of events that apparently resulted in S. Reshulskiy's trouble-free election to the position of first secretary of the Dagestan Communist Party Republic Committee, in place of U. Nasrudinov, who was recently appointed rayon administration head. The latter cited excessive workload and also refused to run for the Russian Federation State Duma.

Also nominated in the regional listing of candidates for State Duma deputy by federal-wide (party) district from the Dagestan Communist Party-Russian Federation Communist Party were, in order of priority: Kh. Gamzatova, minister of press and information of the Dagestan Republic; M. Mekhtikhanov, secretary of the Dagestan Communist Party Republic Committee; M. Ibragimov, worker; and three other activists. Nominated for two single-seat districts were D. Dzhanakavov, first secretary of the Khasavyurtovskiy Rayon Committee of the Dagestan Communist Party, and M. Mekhtikhanov.

The plenum issued a decree assessing the situation in Dagestan as having reached its peak of intensity. The statement issued in connection with the attempted assassination refers to the paralysis of structures of authority in the Dagestan Republic, and the plenum decree—to their demonstrated complete incompetence.

The Communists consider victory in the parliamentary and presidential elections to be the stipulation for peaceful emergence from the crisis, and they consider ideological efforts as the mainstay of victory.

Western Pollsters See Communists in the Lead

954F3271A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 17 Aug 95 p 2

[Article by Vladimir Kuzmenkin: "Tired of the Reforms? Foreign Pollsters on the Russian Voter"]

[FBIS Translated Text] The coming elections in Russia are of interest not only to Russians; the development of the situation also is being followed very closely by Western political scientists. This is understandable: It is always useful to know in advance what thoughts are hovering in the enigmatic head of the remote Russian bear. An issue of the news bulletin "Economic and Social Change: Monitoring Public Opinion" carries an interesting article by Robert Bream entitled "The Russian Electorate Is Turning Its Back on the Reforms." So interesting that the newspaper SEGODNYA reprinted it in full.

Following the 1993 elections, specialists in the study of public opinion were in shock: The results were the direct opposite of those that they had predicted. There had not been such a glaring mistake since the 1936 U.S. presidential election, when unconditional defeat had been predicted for Franklin Roosevelt. In order not to slip up, researchers have begun to sound out Russians' election expectations long before the elections. The biggest poll of citizens of Russia was conducted in the April-May period of this year.

The main thing for the pollsters was "to determine the direction in which political sentiments have moved."

First about intentions: Forty-seven percent of the electorate stayed away from the polls at the 1993 elections; today 45 percent believe that there should be no elections, and a further 28 percent do not yet know which party they support. In specialists' opinions, there has been a strengthening in the past 15 months of the position of the Communist Party of the Russian Federation and Yabloko, but the number of supporters of the LDPR [Liberal Democratic Party of Russia] and Russia's Choice has diminished appreciably. The steadiest, as they are supposed to be, were the communists: 93 percent of those who voted in 1993 for this party are prepared to support the party today also, and the indicator for Yabloko is 85 percent, for Russia's Choice, 54 percent, and for the LDPR, only 39 percent. There has been a decline in the support for small parties: At the past elections it constituted almost half the electorate, today, little more than one-third. Such results do not seem surprising if it is considered that this January the number of Russian citizens objecting to the economic reform exceeded the number of Russians advocating its continuation for the first time since all-Russia polling began (1988).

The opinion of the electorate as to which party would win the future parliamentary elections was studied also. The data on how the respondents see and imagine public opinion could help determine possible changes in voter preference. There is the so-called "spiral of silence". It is essentially the fact that the majority of people endeavor to avoid potential social isolation. And if they feel that their views differ from those of the majority of people of their social sphere, they will, first, hardly reveal their own views in public and, second, could lean toward the opinion of the majority. What do these "futurological" estimates look like?

The success of the communists is expected by approximately 30 percent of those polled (this is more than the number of people planning to vote for them). Support for Zhirinovskiy has diminished, but almost 19 percent predict success for him. The parties of the right wing, it

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is expected, could score an even bigger success than the analysts are predicting for them. But the main conclusion is this: "The nature of Russians' perception of public opinion" indicates that "the communists have taken up the running and are ahead of everyone."

About those who have not made a decision. The pollster Clark studied many Russians who expressed no party preference, and concluded that in their attitude toward the reforms they are close to either the supporters of the communists or the liberal democrats. Whence the conclusion: "It would appear that what we have is an odd ironical twist typical of Russian politics: It would be no bad thing for the democratic parties in the interests of a prolongation of the life of Russian democracy to go for a low turnout." Though other specialists are not as categorical: "The results do not indicate that voters who have not made up their minds will necessarily vote for the communists and the LDPR; nor, equally, are there indications that they will express a preference for the reform parties."

Concerning turnout, incidentally—we should not be complaining unduly about the passiveness of the voters, even under Brezhnev one out of every four persons contrived to stay away....

Kabardino-Balkar Agrarians Prepare for Campaign

954F3278A Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 29 Aug 95 p 1

["The Agrarians Have Joined the Race"]

[FBIS Translated Text] It may be said that the Kabardino-Balkar Republic organization of the Agrarian Party of Russia has officially joined the campaign struggle. This was announced on Saturday, 26 August, at the second special conference of this organization.

It discussed a second matter also: the elections of delegates to the Fourth Agrarian Party of Russia Congress. A report on both matters was delivered by Ch.M. Beslaneyev, chairman of the Kabardino-Balkar Republic Agrarian Party. He emphasized the need for a stimulation of work in the period of preparation for the elections to the State Duma of the Russian Federation Federal Assembly.

The conference nominated its candidates for deputy for the federal party slate ballot. Kh.S. Mammeyev, chairman of Cherekskiy Rayon's Sukan-Su Kolkhoz; V.I. Punarzhi, director of Prokhladnenskiy Rayon's Stepnoy Sheep-Breeding Sovkhoz; and A.T. Kushkhov, minister of agriculture of the Kabardino-Balkar Republic, were included on the slate of candidates from the republic.

The two latter were also elected delegates to the all-Russia congress of the Agrarian Party of Russia. The republic will be represented together with them at this congress by Ch.M. Beslaneyev; M.Ya. Kabardinov, deputy minister of agriculture and food; A.A. Khanov, chairman of the Kabardino-Balkar Consumers' Cooperative Union; K.A. Nyrov, general director of the Kabbalkvodkhoz; Ye.I. Khulamkhanov, deputy chairman of the republic committee of the Agro-Industrial Workers Union; and A.Sh. Urusov, chairman of Baksanskiy Rayon's Kabarda Kolkhoz.

The conference adopted an appeal to members of the Agrarian Party, inhabitants of the villages, and workers of the republic's agro-industrial complex.

Economic Indicators Examined in Irkutsk

954F3266A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 17 Aug 95 p 2

[Article by V.A. Mitrofanov, acting deputy chief of administration of Irkutsk Oblast, chairman of the Economics Committee: "The Oblast Economy—Results of Seven Months"]

[FBIS Translated Text] The economic situation as it has taken shape in the oblast economy after the first seven months of 1995 confirms the correctness of administration efforts in implementing economic reform, stabilizing production, and enhancing the standard of living of the populace. Irkutsk Oblast is becoming the leader in the East Siberian economic region with respect to growth of industrial production—including at enterprises of the military-industrial complex, the commissioning of production fixed capital and housing assets, volume of profits, and level of average per capita monetary income and wages. The index of physical volume of industrial production for July 1995 was 107.3, and for the seven-month period, 102.2 percent.

Significant contributions towards the achievement of this growth were made by electric power enterprises, 109.1 percent; oil-refining enterprises, 102.9 percent; chemical enterprises, 109.2 percent; timber, woodworking, and pulp and paper enterprises, 128.1 percent; and enterprises of the food industry, 100.4 percent.

Certain sectors of industry that had experienced production decline during the first half-year produced positive results in July 1995: nonferrous metallurgy, 103.5 percent; machine building and metalworking, 121.0 percent; ferrous metallurgy, 114.0 percent.

Greater production volumes were realized in the January-July 1995 period with respect to electricity, products of oil refining, mineral nitric fertilizers, round timber, cement, derived aluminum, radio merchandise, vegetable oil, margarine, fish, confectionery items,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

nonalcoholic beverages, and other foodstuffs and commodities. At the same time, production of consumer goods diminished on the whole by 8.2 percent. One of the main reasons for this was the poor operation of enterprises in light industry, where production output fell 40 percent over the seven months. With the aim of providing support, the oblast administration stipulated a package of measures designed to extricate this sector from its crisis predicament. Enterprises are being provided assistance in the search for foreign investors.

Investments in capital construction totalled 1.635 trillion rubles [R] over the seven month period—22.2 percent less than last year's level. Some R580.5 billion was directed towards the construction of nonproduction facilities. A 17-percent greater volume of housing assets was commissioned this year than over the same period of 1994.

One factor impeding the revival of investment activity is the reduction in federal budget funds (from 17 percent last year to 7 percent this year). Under conditions of reduced budget appropriations and an acute shortage of enterprise working capital, a greater role is being played by investors of the nonstate sector of the economy—joint-stock companies, commercial banks, private firms, etc.

In the agro-industrial complex, a trend has been noted towards slowing down the rate of production decline. The overall reduction in gross production volume was 11 percent, as opposed to 12 percent for the first half year. At the same time, negative trends continue to be seen in agriculture, especially in livestock production. The numbers of all varieties of livestock and livestock productivity continue to drop. Production volume of livestock output and purchase volumes of agricultural products are declining.

Fodder stockpiling and the autumn plowing are proceeding slowly and at a significant lag behind last year's levels. This is also true of the harvesting of grains and other crops, despite the fact that a significant portion of the planted barley crop has already ripened.

The financial situation of many enterprises and organizations continues to grow stronger. Profits in the economy over January-June 1995 increased almost fivefold, totalling over R3.4 trillion. More than 85 percent of the profits were generated in industry. Profit volume here increased almost by a factor of six, while prices for industrial production output increased by a factor of four. Total losses over the half-year period rose 28 percent and amounted to about R300 billion.

In general, indebtedness in the issue of consumption funds is not diminishing. In the production sectors in June 1995, wage indebtedness increased by 26 percent, amounting to R217 billion. Only in agriculture was a reduction in wage indebtedness achieved—of 1 percent.

Income of the populace continued to grow. Average per capita monetary income in the oblast in June 1995 amounted to R531,300, as opposed to R202,800 in June of 1994. The average wage increased in June 1995 by 10.8 percent (R775,500) over the May level, while consumer prices for goods and services rose 8.1 percent. We see a trend towards reduced inflation. The inflation rate dropped from 108.1 percent in June 1995 to 104.2 percent in July, or almost by half.

The level of prices in Irkutsk for cooked and smoked sausage, vegetable oil, sugar, fatty cottage cheese, and certain other products was lower, for example, than in Ulan-Ude, Chita, or Vladivostok. The cost of a number of paid services to the populace is also cheaper here (dry cleaning, bath at a bathhouse, shoe repair, express-train travel, telephone service, etc.), and our residents pay less for electricity than residents of the above- mentioned areas by a factor of three or four. At the same time, the average wage in Irkutsk is 1.7 percent higher than in Vladivostok, 13.0 percent higher than in Kemerovo, 54.0 percent higher than in Chita, 55.3 percent higher than in Ulan-Ude, and 85.8 percent higher than in Novosibirsk.

Among the cities of our oblast, prices are lowest in Tayshet. At the end of July, beef was being sold here at R13,700 per kilogram; sour cream, R12,200; milk, R1,800; bread, R2,000; and potatoes, R480.

In order to replenish commodity shortages with respect to our own production, arrangements have been made to attract commodity resources from outside the oblast. As a result, retail trade commodity turnover, taking nonorganized trade into account, increased 1 percent over the first seven months of 1995 as compared with the same period of 1994. The volume of paid services provided to the populace dropped 11.3 percent over the first half of this year from last year's level, including a 10.8-percent drop in consumer services.

Tula Firms Probed, Found To Pay Protection Money

MM0509115795 Moscow ROSSIYSKAYA GAZETA in Russian 2 Sep 95 Weekend Edition p 6

[Report by Valeriy Rudenko: "Racketeering Commissioned?"]

[FBIS Translated Text] Tula — It is said in Tula that the majority of large and medium enterprises in Tula's oblast center pay the Moscow mafia on average 10 million rubles for "protection" every month. This

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

opinion, which is widespread in Tula police circles, is based on facts brought to light in the course of an investigation currently being conducted into the "puzzling" attack on the leader of a Tula enterprise (his name, like that of the firm, is not disclosed in the interests of the inquiry).

On replacing his predecessor, who had retired on a pension, in the director's chair, this leader discovered to his surprise that the enterprise paid large sums of money to a certain Moscow firm every month "for security services," as the old payment instructions put it. He immediately stopped the payments. Following this, unknown persons offering to resume cooperation phoned the "novice" director, but met with a blank refusal. Then he was given a warning — a pistol shot fired through the front windshield of the car into the seat in which the director usually sits when traveling.

An investigation discovered that the money "for security services" was "laundered" through a number of banks, and the firm receiving the money exists only in registration documents issued on a stolen passport. Bank officials actively obstructed officers of the Tula Regional Administration for Combating Organized Crime from tracing the money, invoking trade secrets. In a certain Moscow bank the chief of security — a former colonel of the Moscow Main Internal Affairs Administration — bluntly told the Tula officers: "Don't dare to touch my bank." And he promised that they would regret their "curiosity."

Meanwhile, a whole series of Tula enterprises paying considerable sums of money to the Moscow "patrons" were uncovered by the investigation. Despite a reluctance to acknowledge their contacts with racketeers, the directors "crack" when acquainted with a simple juridical computation: Even payments which a meeting of shareholders has sanctioned for services which are not then provided can be categorized as embezzlement on behalf of third persons. So the directors who rely on the extortionists more than on the law face an extremely simple choice — either to maintain the secrecy of "friendship at gunpoint," or to be charged with a criminal offense. The investigation continues.

Economic Issues

Yeltsin Decree on Shares To Boost Federal Budget

LD0509211595 Moscow INTERFAX in English 1732 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (FIA-INTERFAX) — Russian President Boris Yeltsin's decree on the procedure for a pledge of federal shares will help collect budget revenues.

"The decree will increase federal budget revenues by selling the shares of privatized enterprises, and help the formation of the Russian stock market," acting Chairman of the Russian State Committee for Property Alfred Kokh told a news conference in Moscow Tuesday. In his words, the government will receive credits in tenders on each of the privatized plants.

In the words of Kokh, the presidential decree instructs his committee to organize a tender, whose winner will have the right to hold a pledge of a federal package of shares, and have full control over this package with the exception of activities of a joint stock company. The winner will also have the right of "commission agent" and can choose any way to sell the pledged shares.

The tender will be won by an organization which will offer the largest credit with a fixed rate and term. "Such a scheme corresponds to the world standards of the stock market," said Kokh.

In his words, foreign companies are welcome at the tender, but the composition of tender participants has certain limits. Kokh is sure that Russian capital will not stay aside from the second phase of privatization.

Chubays Cited on Privatization Revenue Expectations

LD0509211295 Moscow INTERFAX in English 1549 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (FIA-INTERFAX) — Government experts have confirmed the possibility of Russia earning 9.1 trillion rubles in revenue from privatization, as budgeted for 1995, Russian First Deputy Prime Minister Anatoliy Chubays told a press conference at the head office of the INTERFAX News Agency today.

Chubays said "a number of wide-scale decisions have been made about the implementation of this program." In particular he mentioned revenue from the consortium of Russian banks under relevant agreements, the sale of 50% of shares in the Svyazinvest telecommunications concern, a 15% block of shares in United Energy Systems of Russia and shares in Russian oil companies.

Russian Prime Minister Viktor Chernomyrdin signed an ordinance in August under which large high-liquid blocks of shares in 136 of Russia's most lucrative enterprises will be offered for sale before the end of this year.

"I have no doubt that the Russian stock market, as it is in the fall of 1995, will realize the implementation of this program," Chubays said. He said the present Russian stock market had developed significantly since the time

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of its formation in mid 1994. He said the present Russian stock market had a well-developed legislative basis, the recently created unique register for several millions of accounts. Chubays said not only brokers but entire banking systems were operating on the present Russian stock market.

Earlier, Russian Finance Minister Vladimir Panskov said the fulfillment of the budget revenues from privatization had in fact been wrecked. Panskov said the federal budget had failed to collect 3.6 trillion rubles in revenues from privatization in the first half of 1995.

Soskovets: GDP Drops 4 Percent Through June

LD0209153295 Moscow INTERFAX in English 1303 GMT 2 Sep 95

[FBIS Transcribed Text] VLADIVOSTOK, Sept 2 (INTERFAX) — In January through June, 1995, industrial production dropped by 7%, and the gross domestic product, by 4%, against the same period of 1994, Russia's First Deputy Prime Minister Oleg Soskovets told newsmen in Vladivostok Saturday.

Soskovets arrived in Vladivostok on September 1 to celebrate an anniversary of the end of World War II.

In June, according to Soskovets, industrial production grew by 2% against May, and the gross domestic product grew by 3%.

In Soskovets' view, industrial production showed more stability than it did a year ago. A number of industries increased production. The steel, chemical and petrochemical industries increased production by 10%, and machinebuilding showed more life, too, Soskovets said. The paper and pulp industry is increasing production.

Inflation rate plummeted even though the consumer price index stood higher than planned, Soskovets also said.

Soskovets described the light industry as an economic headache. The light industry reduced production by 35 to 40% this year. Soskovets explained this by the poor marketability of the industry's production.

According to Soskovets, budget spending was lower than planned in practically every field of the economy. The federal government was determined to meet this year's budget, Soskovets said, although investment remained low after it had dropped by 20% in 1995.

Gold Producers Claim Exchange Rate Ruining Industry

LD0609115995 Moscow INTERFAX in English 1015 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 6 (INTERFAX) — The government and Central Bank's policy of maintaining a "currency exchange rate corridor", prolonged until the end of 1995, aggravates the condition of the gold-mining industry, chairman of the Russian Gold Producers' Union Valeriy Brayko has said.

He said this was the joint position of the Gold Producers' Union and the Union of Gold-Mining Teams of Russia, which unites more than 200 participants in the Russian gold market.

In May through September this year the settlement price of gold set by the Russian Committee for Precious Metals and Stones each month depending on the rate of the US dollar was down by 17%, whereas wholesale prices in the industry over the same period were up 30% on the average, Brayko said.

The Committee failed to support the gold producers' proposal for introducing a special coefficient in setting the settlement price of gold that would compensate for rising prices of industrial products, Brayko said. The government argues it cannot afford to purchase gold at a price above the world one.

Meanwhile, the chairman of Russia's Union of Gold-Mining Teams Viktor Tarakanovskiy has said the claim that the government was purchasing gold from domestic producers at world prices is economically groundless, because the government recovers more than 60% of the price of gold in the form of taxes and other payments. He said that in such gold-mining countries as South Africa, the United States and Australia taxes and other payments in the price of mined gold constituted 20.1%, 31.1% and 20.6% respectively.

Moreover, Russian gold-mining enterprises are in unequal position as compared with enterprises in other Russian industries, Tarakanovskiy said.

The leaders of both unions have said the gold producers are working on a message to President Boris Yeltsin and the government asking to intervene and prevent the industry's "utter collapse".

Central Bank To Revoke 80 Banking Licences

LD0509185495 Moscow INTERFAX in English 1727 GMT 5 Sep 95

[FBIS Transcribed Text] VLADIVOSTOK, Sept 5 (FIA-INTERFAX) — The Central Bank of Russia will

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

revoke about 80 banking licences within the next 30 days, a CBR official has said.

Banking supervision department head Olga Prokofieva said in an interview that a total of 300 commercial banks in Russia were in a precarious position. Prokofieva said, though, that they accounted for a mere 1% in the Russian banks' total balance.

The liquidity crisis has affected primarily small banks, whose capital is under 1 billion rubles, Prokofieva said. According to the CBR, medium and large banks whose alleged bankruptcies made headlines recently were virtually absent from that list. Prokofieva recalled that Mosbiznesbank and Lefortovskiy bank had even increased their liquidity.

The CBR has taken a number of measures to rule out critical situations in the future. For instance, it has recommended that commercial banks ensure their own capital is adequate for risks taken.

Tougher sanctions will be imposed on those banks which intentionally distort their accounting.

RBRD's 'Asset-Padding' Enjoys High-Level Support

MM0509160095 Moscow KOMMERSANT-DAILY in Russian 5 Sep 95 p 5

[Report by Gleb Baranov: "The Bank Still Has a Chance To Grow Strongly"]

[FBIS Translated Text] The situation around the decision by the Russian Bank for Reconstruction and Development (RBRD) Board to include the assets of the Amur Oblast mortgage fund in its balance sheet has received an unexpected development. Today KOMMERSANT-DAILY has at its disposal a letter by Central Bank First Deputy Chairman Arnold Voylukov suggesting that the RBRD's initiative enjoys some support in the power structures. So, strange as it may seem, the asset-"padding" scheme devised by the bank could well be translated into reality, and the RBRD could suddenly become one of Russia's major banks.

It will be recalled that the inclusion of 8.4 trillion rubles — which is the book value of the Amur Oblast resources — in the RBRD's balance sheet was sharply condemned by a number of board members in the bank itself who publicly accused RBRD President Viktor Dmitriyev of illegal actions. Indeed, this bookkeeping operation looks strange at best: The intention to solicit Western investment funds against a collateral whose redeemability [obratimost] is dubious could not but arouse the board's dismay.

Nonetheless the letter shows that the state's position on this issue is not so straightforward. Unfortunately, we failed to obtain a comment either from the author or from the addressee (Voylukov and Livshits are now on vacation). But other persons concerned agreed to express their opinion.

According to RBRD Board Deputy Chairman Erast Galumov, at present active negotiations are under way between the bank, the Central Bank, and the government. The plan, according to Galumov, has every chance of being implemented because the RBRD initiative has serious support in the power structures. True, there are also opponents, because if the project is implemented central authorities could lose control over foreign investments.

It is noteworthy that earlier the Central Bank was very cautious toward the RBRD proposals, saying neither denying nor supporting. Thus, in a letter signed by Obvchinnikov, acting chief of the Central Bank Operations Department, the Central Bank refused to approve the RBRD balance sheet, stating only that the matter calls for additional analysis. Presumably Central Bank officials do not want to quarrel with any of the sides involved.

According to Lev Vaynberg, member of the RBRD Board, Voylukov's letter is a response to Aleksandr Livshits' query. In his letter, Vaynberg believes, the Central bank deputy chairman, not knowing Livshits' position, cleverly avoided appraising the project. Which on the whole confirms the belief about a confrontation on this issue between the two powerful lobbies, and in the event that one of them scores a victory, a remarkable precedent could be set.

[Article is accompanied by following boxed text]

From a letter by Central Bank First Deputy Chairman Arnold Voylukov to Russian Federation Presidential Assistant Aleksandr Livshits of 18 August 1995 No. 08-88/180

The Central Bank of the Russian Federation has considered Letter No. 21 by the RBRD of 1 August 1995, and advises as follows.

The Bank of Russia on the whole supports the RBRD's activity to attract broad investments and promote large credit and investment projects in Russian regions aimed at facilitating the socioeconomic development of the country's regions, and agrees with the idea of conducting an experiment in Amur Oblast involving the investment of nonbudget funds against the collateral of the property rights to the resources that are under the economic control of the local administration.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

At the same time we consider it essential to note that matters involved in utilizing the resources of Russia's regions as security for the return of loans in long-term investment projects is not part of the jurisdiction of the Central Bank of the Russian Federation.

RBRD Bank 'On Brink of Failure;' Background Viewed

MM0509100695 Moscow ROSSIYSKIYE VESTI in Russian 2 Sep 95 p 5

[Report by Dmitriy Orlov: "Trust Bound To Fail. Russian Bank for Reconstruction and Development (RBRD) on Brink of Failure"]

[FBIS Translated Text] The bank was set up by a presidential directive back in June 1993 and was to have distributed the loans received by Russia from the World Bank and other international financial institutions. The Russian Central Bank has refused to accept the RBRD's balance sheet. The reason is simple — the bank's losses at the end of July were nearing 1.5 billion rubles [R]. The RBRD owes just as much to the Russian Federal Property Fund. Yet its incorporation capital is R1.84 billion. How can what was initially conceived as a sound bank have come to such a pass?

Experts are rightly noting that from the very outset there was not a single "team" in place at the bank. Indeed, former Supreme Soviet deputy Viktor Dmitriyev, a number of ministry and department leaders (Andrey Vavilov, Sergey Glazyev, Andrey Nechayev), and entrepreneurs (Lev Vaynberg, Oleg Kiselev, Mark Masarskiy, Kakh Bendulidze) who were in at its creation held different views of the methods for developing and running it.

But there is another reason too — the obvious incompetence of the bank's leaders — primarily the well-known entrepreneur Lev Vaynberg and the former deputy Viktor Dmitriyev who replaced him. In the summer of 1994, an agreement was reached for the International Bank for Reconstruction and Development [IBRD] to join the RBRD's shareholders. Had the relevant documents been signed, the IBRD would have provided sizable financial injections for the Russian bank and the shareholding held by the state (35 percent) and, particularly, by private shareholders would have diminished considerably, of course. Under these circumstances, the entrepreneur shareholders made changes to the RBRD's charter to prevent any decisions being made without the approval of the initial shareholders — even after a sizable increase in the incorporation capital. Needless to say, the IBRD immediately ended its cooperation with its Russian namesake.

Viktor Dmitriyev's idea of exchanging $5 billion for 15 billion Kuwaiti dinars prompted amazement, to put it mildly, not only in Russia. The last episode in the RBRD's glorious history merits close attention.

We are talking about the so-called Amur trillions. Former State Committee for the Management of State Property boss Vladimir Polevanov, while still head of Amur Oblast Administration, set up the so-called oblast mortgage fund. Just what was this fund? It turns out that it is the "market value of iron ore in Amur Oblast reduced [umenshennaya] by 40 percent." This "market value" of more than R8 trillion appeared on the RBRD's liabilities column. Moreover, it was planned to use this "know-how" to issue securities and raise loans. Clearly, this operation was nothing more than an attempt to make money out of thin air — as was noted by the Central Bank of Russia.

In conjunction with the truly overblown ambitions of the RBRD leadership and the huge salaries at the bank — which had already reached R5 million a month in the year before last — these facts reveal a great deal. Primarily that the decline in the liquidity of many credit and financial structures is an entirely natural process, since as long as institutions such as the RBRD exist, we can only dream about financial stabilization.

IZVESTIYA Views Pension Fund Abuses

MM0409095895 Moscow IZVESTIYA in Russian 1 Sep 95 pp 1, 2

[Article by Sergey Chugayev: "Pension Fund Has Become Feeding Trough for Bureaucrats. Government Is Driving the Elderly into the Opposition"]

[FBIS Translated Text] The forthcoming fall season promises to be particularly stormy in terms of political activity. The elections are imminent. And at that very moment a large quantity of explosive material has been added to the already boiling caldron of political passions. For the first time in recent decades pensions have ceased to be paid on time in Russia. In the summer dozens of pensioners took up pickets. In the fall tens of thousands could go out onto the streets.

There are 37 million pensioners in Russia. That is over one third of the country's entire electorate. And, no less important, they are the most disciplined voters. It is not hard to imagine what decision will be made by a man who has not received his pension for weeks when he is faced with a choice — to support the present regime or not. The opposition could not even dream of such a gift.

Why has the state pension mechanism, which had seemed unshakable, started to malfunction? The Russian Federation State Pension Fund, which is subordinate to the Russian parliament, was formed in 1990. The new

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

pension system in many way accords with universally accepted standards. And at the same time it looks very unwieldy and awkward. Initially all pension contributions are paid into the fund's accounts in Moscow. Then the money is transferred to the fund's regional branches. From there it goes to the social security departments in accordance with the applications they have made. From the social security departments it goes to the communications departments, which issue pensioners with the money due to them. It is easy to note that in three departments take part in the process of issuing pensions. Rich Russian experience attests that this alone is enough for the emergence of a mass of problems. But for over two years these problems were successfully avoided.

The situation changed radically in October 1993 when the Pension Fund switched to government jurisdiction. Surreptitiously the government began to take loans from the fund. Right now the official government debt to the pension fund has reached 2.4 trillion rubles [R]. And that is only a small part of the total debt. With time the government has formed the habit of using the Pension Fund as a source for paying various benefits. A particularly large number of these payments were made on the eve of the 50th anniversary of the Victory. Everything paid out to veterans was taken not from the budget but from the Pension Fund. It is from the fund and not from the budget that military pensions are paid. As a result according to the estimates of parliament experts, the government's total debt to the Pension Fund is now close to R10 trillion. And the federal budget for 1995 does not provide for funds to cover this debt.

According to spokesmen for the Pension Fund, it is the absence of this R10 trillion that is affecting the regularity of pension payments. This is by no means "surplus" money. But even if the money were free, it should have been invested in high-liquidity securities in order to form a kind of emergency reserve. But the fund does not have such a reserve. In principle it can be considered bankrupt. The fund's federal accounts are empty. All the money that it manages to collect — for the payment of funds it is necessary to collect about R13 trillion a month — goes straight to the regions. It is enough for a few large firms to stop paying money into the fund (and that is entirely likely, considering the situation with regard to wages in the country) for the entire pension system in Russia to be on the verge of collapse.

The situation is aggravated by the fact that the Russian pension system, which is essentially a multilevel system for transferring money, has begun to leak at the joints. There is big money and the temptation is correspondingly great. Especially as the financial organs, in particular the Ministry of Finances, have topped monitory pension expenditure since 1991.

Having checked the system last year, representatives of the Pension Fund concluded that there can be no question of any kind of control over the expenditure of the money which the fund dispatches to the social protection organs. It turned out that a very widespread method is the social security departments' exaggeration of their money claims. For instance, if in reality a region needed R40 billion to pay pensions, the local social security department would put in an application for R50 billion. The surplus R10 billion was, of course, returned later. But at best a month later, after, one must suppose, earning a substantial sum. In all last year the social security departments, which were checked earnest R103 billion by this method (in 1993 prices). In Voronezh Oblast, for instance, the local social security department thus received temporary possession of R19 billion which Kursk Oblast got R9 billion, Tambov Oblast R5.6 billion, and Samara Oblast R4.6 billion. In Perm Oblast they increased the size of the application by using the names of 10,000 dead pensioners.

The social security departments spent this money on the solution of their own official problems — using it to pay budget-funded benefits — and to resolve personal problems. For instance, the Magadan Oblast social security service workers went on vacation using this money. The pension money is put into deposit accounts in commercial banks and the profit is used for bonuses for social security employees.

The next link in the system is the mail department. Having checked 2,300 communications enterprises last year the Pension Fund representatives found out that R17.3 billion intended for the payment of pensions was used by these enterprises to pay the wages of their own employees, to buy furniture, and so forth. Often the pensions of dead pensioners were taken. These loans led, for instance, to delays in the issue of pensions for periods of up to 25 days. As was the case, in particular, in Penza Oblast. Often the communications enterprises reach agreement with the social security offices and share the Pension Fund money.

The most notable thing is that the revelation of all these and other abuses in the pension system has had no positive effect on its activity. On the contrary, the aggravated pensions payment situation shows that there are even more violations and abuses. It is perfectly obvious that a system designed to guarantee the country's citizens a normal old age and for that reason playing an enormous social and political role has turned out to be totally defenseless. Both before the state's tyranny and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

before the greed of individual lovers of easy money. In Russia to this day there is no law on pension provision.

The State Duma deputies' statement on their readiness to give immediately everything possible for the benefit of elderly and impoverished fellow citizens has become such a familiar background to plenary sessions that the discovery was simply shattering: Until recently none of the members of parliament's lower chamber had even displayed a serious interest in the problems of legislative protection for pensioners. Not a single draft law has been elaborated yet there is a special committee for labor and social support in the Duma.

The first to note this discrepancy between word and deed were the members of the recently formed "Stability" deputies' group. And, to give them credit for their political flair, they hastened to fill the empty niche in the Duma. Early in the summer representatives of the group prepared a draft law providing for the creation in the country of a single federal pension structure independent of the government and with essentially the same status as the Central Bank. In the opinion of one of the draft's compilers, Deputy S. Voronov, the adoption of this law could effectively protect the pension system. In particular it is envisaged that the entire pension system — from the collection of money to its issue to pensioners — should be focused in one pair of hands — those of the Pension Fund.

In the middle of the summer the draft law was approved by the head of government. But since then there has been no movement from the executive branch. There has not even been an official conclusion. In the fall the first hearing of the draft law should take place. And there are every grounds for supposing that its fate will be hard. The point is that the draft essentially proposes that the State Pension Fund be transferred back to the control of parliament (the Duma should approve the composition of the fund's board). The government will hardly welcome the prospect of losing control over R137 trillion, a sum which by strange coincidence is almost the same size as the federal budget deficit. Consequently we should expect tough overt and clandestine fighting over this money.

The tug of war between the branches of power could continue endlessly. Here the main victims of the political intrigues will be the millions of Russian pensioners. The only way out of the situation can be the State Pension Fund's transformation into a structure independent of both parliament and government.

Gazprom Chief Vyakhirev Rebuts Critics

MM0609101295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Aug 95 p 2

[Interview with Rem Vyakhirev, chief of "Gazprom," by Fedor Sizyy; place and date not given: "Vyakhirev Raises a Toast 'To You, To Us, to Gas!'" — first two paragraphs are KOMSOMOLSKAYA PRAVDA introduction]

[FBIS Translated Text] Rem Vyakhirev is a bright but at the same time fairly reserved figure in Russian business and politics. Chief of the largest production complex in the country (and perhaps in Europe) with an annual turnover of billions of dollars, a highly skilled professional, with unconditional prestige both in the environment of the "gas generals," and in the environment of the rank and file workers — at boreholes and gas pipelines — he conspicuously shuns politics, frequently repeating the simple sentence: "Let them play their games, our business is to heat the country...." However, it is obvious that no one will allow Rem Ivanovich to remain a simple "gas man": "Gazprom" is too large and too influential.

That is why our conversation in Rem Vyakhirev's comfortable office started with politics, or to be more precise, with the latest wave of stormy criticism of "Gazprom" in a number of Russian and foreign publications. Essentially, the "Gazprom" Russian Joint-Stock Company is presented as a financial-industrial monster, a remnant of the Soviet economic epoch, preventing the Russian economy from striding toward the free market by its structural monolithic nature....

[Vyakhirev] I do not know, I am not counting the waves, but I can say that the attack on "Gazprom" has been going on since 1991. Strictly speaking, from the moment the Union collapsed. Paradoxically enough, in the ruthless fight against us, forces occupying totally opposite stances have found themselves shoulder to shoulder. This is significant in the press: IZVESTIYA and ZAVTRA have displayed a surprising unanimity of views with respect to "Gazprom." Why? Without going into details, too many interests — financial-economic and political — hinge on "Gazprom." Our sector is a tasty morsel for Western and domestic capital, and we are a thorn in the flesh of our competitors. That is how I explain the fact that we are being "blitzed" on the one hand by the German and U.S. press and on the other hand by the Russian newspapers. When Russian publications, through the lips of our competitor from Germany, warn of future problems and at the same time leave out essential things like heating in your own home, the preservation and the strengthening of the sector...

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Do you know when the Soviet Union started collapsing? When the Samotlor oil ran out. I am wary of being a prophet, but if "Gazprom" is finished off, then the country will be robbed of its main energy base. Pretty big upheavals could then await Russia.

[Sizyy] But nevertheless, Rem Ivanovich, let us listen to your opponents. After all there are some of these in the government. For example, Anatoliy Chubays is calling for the privatization of the gas industry on the basis of the well-known model. Ministers Yasin and Panskov are insisting on stripping "Gazprom" of its concessions and privileges.

[Vyakhirev] First of all, I would like to recall that the controlling interest in the Russian joint-stock company belongs to the state. And we cannot behave with a nationwide asset in the same way as we can with our own store. Second, any Russian citizen can become the co-owner of all our wealth — even now the Russian joint-stock company has over 1 million shareholders. No person individually has the right to control the finances and resources — everything is strictly accountable and subject to control.

Unlike other sectors involved in the extraction of raw materials, we have not divided up our sector into a thousand small holdings. In this way we have maintained controllability, without which the gas industry is inconceivable. Many upheavals connected with thoughtless privatization have passed us by thanks only to the fact that, for ideological reasons, we have not adapted ourselves to the theorist-economists' hare-brained schemes. We have tried to pragmatically unite all the best things that have been accumulated over the past decades with elements of a market economy. Some people attribute our current stability to Viktor Stepanovich Chernomyrdin's protection. But to my mind, if you study the experience of the "Gazprom" joint-stock company, a great many things will become clear. As for the premier, he knows better than other people what a country's energy security means.

[Sizyy] Your certainty of being right is at odds with reports about a government commission working within the Russian joint-stock company. It is being said that Chernomyrdin himself sanctioned this work and that Vyakhirev is about to be dismissed from his post.

[Vyakhirev] I am not particularly clinging to my post. Principles are more important here. As for any checks, then I state officially once more: No government commission has worked in "Gazprom" and no commission is working there now. We are not children playing hide-and-seek, and "Gazprom" is not a store in which you can hide goods behind the counter. The problem is unpaid bills — that is obvious to everyone. So attempts to solve financial problems by dispossessing a few "rich" gas sector workers does not have very good prospects. Whereas last year 50 percent of payments for gas were made, in the first eight months of this year we have only managed to collect one-third of the arrears in Russia. Since we were given a free hand at least to some extent as regards the collection of payments in CIS countries, we have gotten back about 80 percent of payments. Both Ukraine and Belarus are starting to settle accounts regularly.

Meanwhile, in Russia... Entire oblasts are not paying for gas. So where can "Gazprom" get available resources from? Thus we have been conducting talks with the Ministry of Finance and the Ministry of Economics for a month now. I understand the desire to plug the financial gap, but after all we do not have a printing press in our office.

[Sizyy] Incidentally, about your office. Everyone, even foreign businessmen who have seen a few things in their time, are amazed by the pace at which the complex of buildings consituting the "Gazprom" headquarters was built in record time — two years. Apparently there is nothing like it either in Moscow or in Russia, and you would even have to search for one for a long time in the West.... Is it moral to invest funds in such luxurious offices in an impoverished country?

[Vyakhirev] What is immoral today is investing funds in the construction of villas in Cyprus, and concealing currency in Western banks. "Gazprom" is one of the biggest companies in the world. It is time for those who like stoking their fires to remember this. Of course it would have been possible to put up yet another temporary building — particularly since we were given the former city dump for construction purposes. Do have any idea of what the Russian gas industry's control center is like? The traffic control center at Zvezdnoye is miniature in comparison. And we want to work in conditions that are worthy of the scale of our work. To be honest, I assess the construction of this complex as a heroic act by "Gazprom." The intergovernmental agreement with Turkey (back in the days of the USSR) stipulated that gas would be supplied on the basis of barter. Of course we could have bought pantyhose in exchange for the gas. And we could have built an office in three to five years. I must admit that at first we even exchanged gas for leather jackets. The entire gas industry, like the security service workers, used to wear them to work. Later we grew wiser. Now we use the Turkish money only for construction. Incidentally, I do not know what the state did with its share of the proceeds. Let it reveal about what it has spent it on. We will present what we have built — to last for many decades.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Sizyy] Rem Ivanovich, it is nevertheless dangerous to stand out like this when all around are poverty-stricken sectors....

[Vyakhirev] The State Committee for Statistics is continuing to dissemble, highlighting the earnings of the northerners without comparing them with the average earnings in the sector. After all, in the central section of Russia wages are 300,000-400,000. They should be considerably greater for the northerners. Incidentally, in Alaska I found out that a drilling expert there earns more than the U.S. President.

Now something about our stabilization fund. According to the law on joint-stock companies, we have the right to create any fund. Another thing, and this has been recognized both by the Ministry of Economics and the Ministry of Finance, is that by an edict of the president we have received concessions for the formation of a stabilization fund. Today there are two options: either to leave everything as it is, or else the state could impose a tax on the money that goes into the stabilization fund. But then the state would have to pay for gas from Yamburg not at zero prices but at realistic prices. It would pay for the construction of gas pipe branches and for the conversion of the military-industrial complex, which we are carrying out today, and take on itself subsidies for the population for paying for gas. As a result we would be at least 50 percent better off. Let the government decide. Incidentally, Turkmenia finds itself without bread, but is releasing gas free of charge to the population.

[Sizyy] What path will Russia take?

[Vyakhirev] The Ministry of Economics is calculating the option of freezing gas prices.

[Sizyy] And what do you think?

[Vyakhirev] The most serious mistake was made when the price of fuel was not deregulated at the same time as the rest of the price deregulation 2 January 1992. By the end of 1992, we had reached world prices on all resources used. Metal, chemicals, fertilizers — all very grown-up — but we are still selling gas at children's prices.

We have 100,000 people working in the North, plus their families. Many of them have to be urgently taken to the heartland. Do we really want to provoke another miners' situation? If we give up spending money on Novyy Urengoy and Nadym, for example.... If we transfer it to the state budget to maintain. After all, tomorrow these cities would die, and the gas sector would collapse with them.

[Sizyy] The pre-election battles are being launched with great energy at the moment. You are being clearly linked with Chernomyrdin's bloc, and a joke, "'Gazprom' Is Our Home," has even being going around. How does this affect the business reputation of the Russian joint-stock company? Will "Gazprom" not suffer if the bloc is defeated?

[Vyakhirev] If we were not alarmed, to be honest, we would quietly do our business, and that would be it. But after all, the Russian joint-stock company charter says: Point one. "To provide the population and the national economy with gas." And we want to look to the future with confidence. I travel around the country a great deal, and I can see how various parties behave. What can we expect tomorrow when today they are making use of blatant lies and falsification? The support for Chernomyrdin's bloc is conditioned by a simple aim: We want to have a stable parliament. I do not intend to look for happiness in foreign lands. And to be honest, I do not want to hand over "Gazprom" for someone else to fritter it away. That would be a state crime.

[Sizyy] Rem Ivanovich, it has turned out that our conversation on the eve of the professional holiday of workers in the gas industry is a very unfestive conversation....

[Vyakhirev] Our people are heroic, and no matter what may happen in the leadership, they do their work. And this is a good thing. I can say that the country will not freeze, it will be kept warm. I would like to shake hands with every gas industry worker on this day, and say "thank you" not just on my own behalf, but also on behalf of the state. Do you think I have the right? My favorite toast is "To You, to Us, to Gas!"

Energy Ministry Considers Oil Pipeline to Greece

LD0509185795 Moscow INTERFAX in English 1732 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (PIA) — Russia's Fuel and Energy Ministry calls for forming a joint-stock company, Transbalkan Oil Pipeline, comprising Russian, Bulgarian and Greek firms, to prepare feasibility studies for laying a pipeline from Bulgaria to Greece. The Petroleum Information Agency learned this from a source in the ministry.

As he said, the feasibility studies prepared by foreign firms "cannot serve as sufficient substantiation for taking a decision on building it."

Earlier European Union countries displayed a willingness to prepare feasibility studies for a pipeline worth $12 million. Estimates for the project were made by the Russian Giprogazcentr firm (belonging to the Gazprom

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

joint-stock company), and by Latsis Group, Copelousos Group and the DEPA national corporation of Greece.

In the meantime spokesmen for Russia's Fuel and Energy Ministry confirmed once again that the building of a pipeline between the Bulgarian Black Sea port of Burgas and the Greek city of Alexandroupolis (the Aegean Sea) "answers to Russia's political interests."

The proposed pipeline is to transport oil from Russia, and subsequently from Central Asian and Transcaucasus countries, to Europe, bypassing the Bosporus and Dardanelles Straits, where Turkey imposed tough restrictions on the passage of oil tankers.

Considering that there are alternative versions for exporting oil from the Caspian — Black Sea area, Russia's Foreign Ministry suggests that the range of relevant issues should be discussed at the next CIS summit.

Komineft Oil Issues Promissory Notes To Settle Debt

MM0509152895 Moscow KOMMERSANT-DAILY in Russian 5 Sep 95 p 5

[Unattributed report: "Komineft Has Issued 64.5 Billion Rubles Worth of Promissory Notes"]

[FBIS Translated Text] The first lot of transferable promissory notes of the Komineft oil-producing association worth 64.5 trillion rubles has been handed over to the main depositor: the Komi Republic Finance Ministry. This was announced by Igor Nekrasov, chief of the Securities Department at the Komitek company, payer on Komineft's promissory notes. According to Nekrasov, this issue is aimed at settling the debt to the republic budget, the sum of which is 159 billion rubles as of today. The sum of Komineft's aggregate debt as of 1 June was 596 billion. Nekrasov noted that the first promissory notes have a face value of 10 million, 50 million, and 100 million rubles. In the future, face values can be both increased to 1 billion rubles and reduced to 1 million for small shareholders. The scheme provides for three batches of promissory notes to be issued which will be redeemed in three stages: from 20 through 30 December 1996 and during the same period in 1997 and in 1998.

Railway Ministry Discusses Half Year Performance

MM0109125195 Moscow ROSSIYSKAYA GAZETA in Russian 31 Aug 95 p 2

[Report by Russian Ministry of Railways Press Service: "Long Haul Conditions"]

[FBIS Translated Text] The sector tariff agreement concluded for 1995 between the Russian Independent Trade Union of Railroad Workers and Transport Construction Workers, the Ministry of Railways, and the Ministry of Labor and agreed with the Russian Federation Government is the fourth of its kind. The half-year results of its application were discussed recently.

It is largely due to the agreement, the Ministry of Railways Collegium believes, that railroad transport, in the country's difficult economic situation, has been meeting in full the economy's and the population's effective demand for transportation.

All railroads have operated profitably. Losses on passenger transport were fully covered by revenue from freight transport. Local authorities provided the railroads with over 185 billion rubles [R] in the first six months of the year to cover losses on suburban networks. This means that tariff increases can be contained.

Despite the sector's difficult financial state, a large proportion of railroad enterprises is paying working people by the dates laid down by collective contracts. Average pay in transport in June was R802,800, but it was only half as much as in institutions and organizations in the budget sphere. In the first six months, the railroads paid veterans material assistance amounting to R35.5 billion, which was more than R81,000 per person on average. In 1994, 1,700 war invalids and veterans had their housing conditions improved. Some 15,826 workers who were receiving their pensions for the first time were given one-shot incentives totalling more than R36 billion.

In the first six months of this year 555,000 square meters of housing were constructed. Railroad workers received 620,000 square meters of housing, which is 163,000 square meters more than in the same period last year.

The partnership approach to the implementation of the tariff agreement both centrally and locally made it possible to avoid labor conflicts and concentrate on seeking ways to maintain steady work and improve social protection for railroad workers.

Agrarian Party Issues Harvest Statement

LD0509150395 Moscow INTERFAX in English 1238 GMT 5 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 5 (INTERFAX) — Russia will harvest no more than 60 million tonnes of grain this year (compared with 81.3 million tonnes in 1994 - IF), delegates of the Agrarian Party of Russia's extraordinary congress have said.

The Agrarian Party of Russia (APR) adopted a statement on the situation in the agricultural-industrial complex at its congress in Moscow today. The APR said that the government had budgeted 4.5 trillion rubles for the bread purchase in 1995 but "has not earmarked a single

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

kopeck." "Thus, the results of farmers' activity turned out to be unrequited," the APR said in its statement.

The APR said Russia "has been thrown back to the 1960-1970s in terms of agricultural production." The APR said agricultural production was expected to fall by another 10%-12% in 1996. The APR said this meant that Russia would lose its "food independence" completely and that Russia's "political independence will be nothing more than the president's rhetoric."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

International Affairs

G7, EU Meeting Proposed To Discuss Chernobyl

LD0609095995 Kiev Radio Ukraine World Service in Ukrainian 0500 GMT 6 Sep 95

[FBIS Translated Text] Ukraine's president proposed a meeting of representatives of the G7 states, the European Community, and Ukraine to deal with the decommissioning of the Chernobyl nuclear power station and the reform of Ukraine's energy sector as a whole. The meeting is to take place in Kiev at the end of September. This was reported at a Ukrainian Foreign Ministry briefing yesterday.

Letters from the Ukrainian president addressed to the leaders of the G7 countries contained proposals concerning further cooperation in resolving this problem. The letters expressed concern at the absence on the part of these states of specific steps to resolve a range of problems connected with the decommissioning of the Chernobyl nuclear power station. Overall, two or three such meetings are planned to be held between September and November. They are aimed at drawing up an action plan by December not only on the closure of the Chernobyl station but also on reforming Ukraine's energy system as a whole.

Ukraine Seeks To Strengthen Relations With Israel

LD0509123495 Moscow ITAR-TASS in English 1132 GMT 5 Sep 95

[By Mikhail Melnik]

[FBIS Transcribed Text] Kiev, September 5 (ITAR-TASS) — Ukraine is devoting special attention to the development of relations with Israel within the framework of its Middle East policy. A number of agreements were signed by the two countries on cooperation in the sphere of science, culture and agriculture, Natalia Zarudnaya, head of the information department of the Ukrainian Foreign Ministry, said today in connection with the forthcoming visit to Ukraine of an Israeli Government delegation, led by Prime Minister Yitzhaq Rabin.

During the visit, which is scheduled for September 12-13, the Israeli Prime Minister will hold talks with Ukrainian President Leonid Kuchma and other leaders of the country, at which they will discuss the main directions of the development of bilateral relations in the political and economic fields.

Official on Upcoming Rabin Visit, Iran

WS0609105695 Kiev INTELNEWS in English 0011 GMT 6 Sep 95

[By Halia Pavliva, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, Sept. 5 — Yevhen Mykytenko, deputy head of Ukraine's Ministry of Foreign Affairs Middle East Division, said Tuesday that next weekend's meeting between Iranian, Turkmenistani and Ukrainian foreign affairs ministers in Ashkhabad, will not negatively affect Israeli Prime Minister Yitzhak Rabin's upcoming Kiev visit the following Wednesday.

Mykytenko said he wanted to stress "that Ukraine only develops its relations with Iran in civilian areas."

Mykytenko said the trade turnover between Ukraine and Iran was about US$ 65 million to US$ 70 million last year.

"It was almost nothing compared to American companies' trade turnover with Iran," Mykytenko said.

According to Ukrainian state experts, trade turnover between Ukraine and Israel was US$ 60 million last year. Information provided by the Israeli side claimed that trade turnover between the two countries was about US$ 100 million last year. Experts from both sides explained the discrepancy arose because Ukrainian goods often find their way to Israel through third countries such as Poland.

Rabin's delegation is scheduled to meet with President Leonid Kuchma, Prime Minister Yevhen Marchuk, Parliamentary Speaker Oleksandr Moroz. Rabin, who is also Israel's defense minister, will hold talks with Defense Minister Valeriy Shmarov.

A protocol on trade liberalization and an intergovernmental agreement on medical cooperation are supposed to be signed, according to the ministry. One result of the agreements will be elimination of bilateral visa requirements for holders of diplomatic passports.

Kuchma, UK's Rifkind Discuss Chernobyl, Bosnia

WS0609100495 Kiev UT-1 Television Network in Ukrainian 1800 GMT 5 Sep 95

[Video report by unidentified UT-1 correspondent]

[FBIS Translated Text] A meeting between Ukrainian President Leonid Kuchma and Malcolm Rifkind, British secretary of state for Foreign and Commonwealth Affairs, was held in Crimea on 4 September.

The meeting was held in (Mukholatka), where Leonid Kuchma continues his vacation. During the conversation, the two officials touched upon issues of expanding

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

bilateral ties between Ukraine and Great Britain, particularly the possibility of UK assistance in carrying out economic reform in Ukraine, closing down the Chernobyl nuclear power plant, reconstructing Ukraine's power engineering sector, and the like. A number of international problems were discussed, too. The Ukrainian side was represented at the meeting by Foreign Minister Hennadiy Udovenko, Presidential Administration Head Dmytro Tabachnyk, and Defense Minister Valeriy Shmarov.

Answering reporters' questions, Leonid Kuchma and Malcolm Rifkind clarified certain aspects of the issues discussed. In particular, newsmen displayed interest in the details of the resolution of the Chernobyl problem and in existing opinions about Ukraine's proposal to organize a meeting of the three leaders of former Yugoslavia in Kiev and about the possibility of Ukraine's participation in the work of the Contact Group for Yugoslav issues.

[Begin Kuchma recording] The Chernobyl problem in general is discussed at every meeting, and it virtually cannot be ignored. I am very glad that Great Britain approaches this problem with understanding. I recently turned to the G-7 leaders with this problem, resquesting that the process of resolving it be accelerated. I understand that this issue is still being discussed by the British government. However, judging by, so to speak, tentative decisions, G-7 experts are to hold a high-level meeting in Ukraine at the end of September, around 26 September, and discuss this problem in a more specific manner. First, the year 2000 is not far away. Second, unfortunately, all the nuclear power plants, including the Chernobyl plant, are not going to increase their reliability... quite the contrary, I mean if we do nothing. I understand that certain units should be serviced, and so on. We talked in a very positive atmosphere, and even discussed the problem of strategic disarmament, which is well-known to our esteemed guest. [end recording]

[Begin Rifkind recoding in English with superimposed translation into Ukrainian] We pay tribute to the decision of President Kuchma to close down the Chernobyl power plant by the year 2000. I think it is a very wise and well-considered decision. The G-7 states, including Great Britain, realize the complex nature of that task, and has pledged substantial assistance toward its accomplishment. A special program has been drafted and an appropriate analysis made. We have turned to the World Bank and the European Bank for Reconstruction and Development with a request to prepare the least expensive project for the resolution of the Chernobyl issue. As for the question on Bosnia, I would like to say that I commend Ukraine's initiative with regard to the resolution of the Bosnian conflict. I was very pleased to see the Ukrainian foreign minister and the Ukrainian defense minister attending the conference on Bosnia, which was convened by Prime Minister John Major in London several weeks ago. There should be a proper coordination of efforts on the part of the international community, given that we are facing a common goal, and we must do our best to make the leaders of all the Bosnian communities, as well as the Bosnian government, interested in finding a peaceful resolution to the crisis. [end recording]

[Unidentified reporter] What is your attitude toward NATO's decision to conduct air strikes?

[Begin Kuchma recording] We always treat positively only those decisions which exclude the use of force. [end recording]

However, the Ukrainian president added that it appeared to be impossible to resolve the Yugoslav crisis solely by political methods. Nevertheless, the task of every state — small or big — is to finally resolve that problem at the negotiating table.

The eminent guest's visit is over, and on the same day, Malcolm Rifkind, together with the members of his delegation, departed for Moscow.

Kiev, Moscow Policies on Bosnia Contrasted

AU0509171795 Kiev HOLOS UKRAYINY in Ukrainian 1 Sep 95 p 5

[Commentary by Anatoliy Martsynovskyy: "Air Strikes as an X-Ray of the Deep-Seated Policy" — first paragraph published in a box]

[FBIS Translated Text] Well, following months of threats, appeals, and proposals, NATO air power, jointly with the UN's Rapid Reaction Force, has launched a mass bombing strike on the positions of the Bosnian Serbs near Sarajevo. What has this action shown?

Apart from the military results, such an unexpectedly decisive step by the Western community undoubtedly entails political consequences. This action may be compared to an X-ray that has momentarily highlighted the political content of the Balkan game. What interests us here is that, apart from yet another confirmation of the thinly concealed opposition on the Balkan issue between Russia and the West, the difference in positions between Russia and Ukraine has become clearly visible.

Russia, which is taking an increasingly outspoken pro-Serbian position, has unambiguously condemned the NATO actions. The Russian press, reflecting the views of its external political department, has been making persistent allusions alleging that the Muslims [Bosnia-Herzegovina Government] themselves were behind the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

bloody shelling of Sarajevo that preceded the NATO bombing.

At the same time, the assessment by the Ukrainian Foreign Ministry, as voiced by Deputy Foreign Minister Volodymyr Khandohiy, contains a cautiously positive attitude toward, if not support for, the NATO air action and does not doubt Serb responsibility for the shelling of Sarajevo. The diplomatic interludes on the need to resolve the conflict through negotiations and on the undesirability of further use of NATO air power seem to be partly a homage to Moscow and partly attributes of diplomatic speeches.

On the whole, this week may be regarded as one of activity of Ukrainian diplomacy in the Balkan region: This could be seen in the important visit by that same Volodymyr Khandohiy to Yugoslavia and Croatia. Our Foreign Ministry has proposed that Kiev hosts negotiations between the leaders of the two countries that play the major role in the Balkan region. It is noteworthy here that Boris Yeltsin has recently also tried to arrange such a meeting in Moscow. It all ended in a failure with a scandalous hue: Croatian President Tudjman refused to go to Russia because of the anti-Croatian sentiments stirred up by the Russian press. It is not known whether such a meeting will be arranged in Kiev. According to Volodymyr Khandohiy, it is essential that "Ukraine has raised its voice in defense of the negotiating process." Symbolically, Ukraine did this immediately after Russia had failed in this undertaking.

Changing Role of Peacekeepers in Croatia Viewed

WS0509124395 Kiev KIYEVSKIYE VEDOMOSTI in Russian 1 Sep 95 p 4

[Interview Colonel Serhiy Hryhoryevych Mokrynets, commander of the "North" sector of the UN peacekeeping troops in Croatia, by Anatoliy Smetanin: "Colonel Mokrynets: Our Mandate Has Now Been Altered To Rendering Assistance to Refugees"; place and date not given — first paragraph is KIYEVSKIYE VEDOMOSTI introduction]

[FBIS Translated Text] Following the recent conclusion of fighting in Croatia, the status of the "blue helmets" has also changed. What are peacekeepers doing now? Ukrainian Colonel Serhiy Mokrynets, commander of the "North" sector, answers this and other questions.

[Mokrynets] Around 30,000 refugees from Bosnia and Herzegovina have amassed between the inhabited localities of Vojnic and Velika Kladusa, which are in my sector. Inasmuch as there are no belligerents as such, our mandate has been changed: The main task now is to render humanitarian assistance to refugees, oversee the observance of human rights, etc. Additionally, it also includes our own settling down, since members of the sector headquarters have practically no place to live and no food.

The basic task, of course, is to work with refugees. They are pinning great hopes on the UN, even though they should be primarily attended by the governments of Croatia and Bosnia-Herzegovina, because the refugees are citizens of the latter. Nevertheless, this trouble has been laid on our shoulders, too.

[Smetanin] Serhiy Hryhoryevych, has the destiny of peacekeepers been determined? Has any date of their withdrawal been set?

[Mokrynets] Several days ago, the Security Council approved a report by UN Secretary General Butrus-Ghali on further perspectives of the UN mission in Croatia. In accordance with this document, the [UN mission] headquarters in Zagreb has worked out a plan of pulling troops out of Croatia. Our battalion, for example, should leave Croatia by the end of November. However, I must make a reservation that these dates are approximate; they should yet be coordinated with countries that sent their troops here. This relates to about 10,000 servicemen.

According to a statement by Croatian President Tudjman, around 2,000 peacekeepers should be left in the "East" sector alone, while in others there should be military observers, civilian police, and UN civil administration. It is they who are to oversee the state border, the observance of human rights, and the rendering of humanitarian assistance.

[Smetanin] What is the political situation in your sector?

[Mokrynets] President Tudjman has announced an amnesty and called for people to return to places formerly abandoned by them. At the same time, it was announced that those not guilty of war crimes would not be prosecuted. People, of course, are returning, but not many. They are primarily arriving from the Banja Luka region, where a sort of ethnic cleansing is taking place.

The process of bringing back the indigenous population, in my opinion, will be long: Everything depends on the observance of human rights and those security guarantees which have been promised by the Croatian Government. I will add that this zone is environmentally clean and has virtually no industrial enterprises, and its soil is fertile. However, it needs people. Life, in spite of everything, is returning to normal: roads are being restored, telephone boxes and filling stations are appearing among the ruins.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We have established good contacts with local authorities and help them with everything possible — we have to live here and complete our mission. Sometimes this leads to heavy losses on our part. The death of Sergeant Oleksandr Poltava, which was already reported by your paper, is an example of this.

Yes, there were tragedies. Nevertheless, we are doing everything possible to restore peaceful life in the liberated areas.

[Smetanin] How can you explain the fact that certain newspapers, by referring to anonymous interlocutors, report on the division of Bosnia already not into three, but into two parts? What will come of this?

[Mokrynets] You see, all this belongs to tug-of-war polemics. I know that there was an agreement on cooperation made in Plita between Croatian President Tudjman and Bosnian President Izetbegovic. I cannot say how politicians are going to use this agreement on cooperation in the future. At present, as far as I have learned from the press and radio, Mr. Izetbegovic rejects any interchanges and exchanges. However, there are various scenarios, including a U.S. one. But, for example, the Bosnian troops chief commander has not accepted it. Thus, it is not worth making wild guesses about this issue.

Commission Head: Serbs Should 'Kick Out' Peacemakers

WS0509150195 Kiev UT-1 Television Network in Ukrainian 1800 GMT 2 Sep 95

[Interview with Borys Oliynyk, head of the Ukrainian Supreme Council Commission for Foreign Affairs and CIS Relations by unidentified reporter; place and date not given]

[FBIS Translated Text] [Oliynyk] We should proceed from the actual circumstances. When the air strike was dealt on Sarajevo, Radovan Karadjic and General Mladic were visiting Yugoslav President Milosevic to make an agreement about holding roundtable talks. The French side rejected the Serbs' offer to attend talks, and literally several hours later the bombing of the Serb positions began. This kind of haste worries me, and not only me, particularly since I know that as early as the winter AWACS planes made photographs of the Serb positions and marked points for air strikes on maps. They tried twice to take advantage of the situation, but it did not work out then. On this occasion, it did work out.

[Reporter] Do you think this was a provocation?

[Oliynyk] I think it was a provocation. A party which goes to negotiations cannot at the same time shoot at civilians, the more so since the previous bombing of the Sarajevo market, the same place... it has been proved that it was not done by the Serbs. As of today, the Serb side has set up a delegation comprised of six persons, with regard to Serbia as such and the Serb Republic [as heard]. This delegation will sit at the negotiations table with the Croats and the Moslems. They should sit at the negotiations table and kick out the so-called peacemakers as soon as possible. The Balkan peoples can reach an agreement without anybody's help. Meanwhile, those who once planted the bacillus of antagonism are now regulating the Balkan situation with bombs.

Udovenko: Division of Fleet Must Be Speeded Up

LD0509115995 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 5 Sep 95

[FBIS Translated Text] The Ukrainian-Russian dialogue on the Black Sea Fleet will continue, Ukrainian Foreign Affairs Minister Hennadiy Udovenko told journalists in Kiev yesterday. According to him, Ukraine has a number of proposals on speeding up coordination of the sides' positions on this issue. The minister recalled that Ukrainian President Leonid Kuchma recently sent a letter to Russian President Boris Yeltsin in which he gave an assessment of the course of the bilateral negotiating process on dividing the Black Sea Fleet, and confirmed his readiness to act in the spirit of the Sochi accords.

National Affairs

Moroz Opening Address to Parliament Session

LD0509124395 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 5 Sep 95

[Speech by Oleksandr Moroz, chairman of the Ukrainian Supreme Council, at the opening of the Ukrainian Supreme Council session in Kiev — live]

[FBIS Translated Excerpt] Esteemed colleagues and friends: The fourth session of the Supreme Council begins at a difficult period in the life of the state and of society. It has its distinctive economic, political, and social features and well-defined trends. All of these are based on the state of affairs in the economy. In Ukraine, it is characterized by a large budget deficit, an increasing external and internal state debt, continuing decline in output, enterprise arrears, a low GDP, the prevalence of raw materials in our exports, and a growing dependence on imports, all of which are growing signs of a colonial type of economy. This was also noted in the president's address to the gala meeting on 24 August.

Some signs of stabilization in the finance and price systems, achieved by monetary means, proved weak and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

short-lasting. Our own, rather than borrowed, experience has convinced society that no long-lasting stabilization and consistent progress can be achieved by purely financial means, ignoring the needs of the domestic producer and without boosting entrepreneurial activities, creating a favorable tax and investment climate and increasing labor productivity and the competitive quality of goods. In other words, without taking care of our own growing production we cannot speak of financial stabilization.

According to the Ministry of Statistics, business activity has shown no increase since the beginning of the year. Every second enterprise has cut its output of basic products. Between January and July this year, the output of industrial goods fell by almost 14 percent, and the output of consumer products by 22 percent. The shortage of circulating capital, the unresolved problem of enterprise debts, high prices for raw materials, and the decline in the population's purchasing capacity have led to a decline in the sales of domestic products.

I have mentioned just a few problems which call for immediate solutions, including legislative ones. But we must never forget that one of the main tasks during transition to a market economy is providing legislative guarantees of people's social welfare. We cannot ignore the fact that two-thirds of enterprises today have reduced the number of staff employed in production. The biggest cuts were suffered by enterprises of the fuel, machine-building, metal processing, building materials, light, and microbiology industries. The forecast for the rest of the year is hardly optimistic. [passage omitted]

Without a clear development perspective, the market has turned into a bazaar in the most negative sense of the word. [Words indistinct] the majority of those working cannot provide their families with the minimum subsistence standard. Pensioners have turned into beggars, while the young generation, seeing no future in honest work, enrols in criminal structures. [passage omitted]

These sad developments can be rectified only with resolute actions of the executive authorities along with the establishment and consolidation of the legislative framework which reflects the level of development in every democratic state. A strong legislative system can be built only on the basis of laws which are clear and understandable to the public. Any inconsistency or contradiction in the legislative process leads to legal nihilism, the loss of state control over taxation, the growth of the black market and bureaucratic self-will, and the onslaught of crime in the economy, which is now evident in everyday life.

We should therefore move on from talk of adjusting economic policy toward completing a specific program of its implementation. In this connection, great importance is attached to the parliamentary hearing on the government's program which the Cabinet of Ministers will submit on 19 September. But in the present economic conditions it would be an unpardonable luxury to discuss and approve just another reform plan, with more than 10 of them adopted at the national level alone in the past four years. We need to have answers to all the key questions. Deputies have proposed that we hold a government day in parliament even before the debate on the program, so that members of the government and people's deputies can exchange preliminary ideas in this regard. [passage omitted]

Eventually, the analysis of the present situation is necessary in order to prepare a joint plan of action together with the executive authorities. I trust there is no decent politician or deputy gloating over the current state of affairs, because it concerns the life of society, the life of every individual.

The fourth session should mark a breakthrough in the development of a comprehensive approach to law-making. We should make sure that laws do not remain little legal islands but become intertwined within a single system, containing all the necessary legal instruments and, most importantly, procedures for the implementation of the laws enacted. The commissions should ensure there is no delay in the passage of laws which determine the basis and orientation of our legislation and guarantee stability in society. We are talking about such conceptual issues as the tax system, the principles of budget formation, the regulation of changes in ownership relations, social guarantees and others. [passage omitted]

One of the key tasks facing this parliament session is legal provision for the future development of our statehood. This, mainly, means continuing the formation of necessary state and legal institutions, such as the constitutional court and the control board, the implementation of judicial reform, and the creation of a reliable legal framework for the activities of central and local government.

The current session is opening at a moment when first steps have been made to implement the Law on State Power and Local Self-Government in Ukraine, the principles of the constitutional treaty. Undoubtedly, the signing of these documents, together with their critical assessment, was welcomed by those Ukrainian citizens who oppose any conflict between the power structures. However, the treaty's inherent contradictions are making themselves felt both nationally and locally.

Given the existing division of responsibilities between the legislative and executive authorities, which was the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

very purpose of the constitutional treaty, interference in the Supreme Council's sphere of work is a serious problem. Unfortunately, so t[illegible]he division of powers between the Supreme Council and the president of Ukraine is limited to the formation of government. As regards legislation, this is the exclusive prerogative of the Supreme Council. But even after the constitutional treaty was signed, the formation of an alternative legislative system by presidential decrees not only failed to cease but continued with added strength. This is evident in the number of decrees issued recently on various issues, including privatization, taxation, land sharing, local government, and others. This is dangerous both for corporate bodies and for individuals — to put it in simple terms, it is dangerous for the people. [passage omitted]

Our routine legislative work cannot overshadow the urgent need for the speedy completion of the draft constitution. The work should be organized in an appropriate way to enable the parliament to discuss the draft already in November. Naturally, the task of the constitutional commission is a serious one. The draft constitution should not be a mechanical repetition of the power law. It should encompass our entire past and recent, including the most recent experience in state-building.

Another important problem is the reform of the judicial system and law enforcement. The Supreme Council approved guidelines on judicial and legal reform. An updated version of the guidelines will be submitted soon. In general terms, the legal reform should be implemented stage by stage, gradually. New civil, administrative, and penal codes should be based on the new constitution and be compatible with one another. The implementation of certain principles of the power law will also require a number of laws to be passed.

One of the problems is the legal framework of local council activities. The relevant law should be passed as soon as possible, this is being demanded by local government representatives.

An integral part of the Supreme Council's work, particularly during the fourth session, is the development of Ukraine's foreign relations, the strengthening of its position in Europe, including a speedy entry to the Council of Europe, and closer cooperation with the CIS countries. These issues are given their priority in the legislative plan. Another important problem is coordinating our legislation with European standards. Today we are able to agree the main points of draft legislation with legal requirements both existing at the time of passage and expected in the future. This not only opens the door for Ukraine to European structures, but also creates a favorable legislative climate for foreign investment and economic cooperation with European countries.

It is important to increase our deputies' involvement in international parliamentary structures, in the OSCE, in the Western European community, in the Council of Europe Parliamentary Assembly, in the Black Sea Economic Cooperation parliamentary assembly, in NATO, and in the CIS.

The fourth session will place special emphasis on improving parliamentary control over executive authorities and the local government, which is one of the parliament's key functions. We need to improve parliamentary control over government spending. This must become the key element in parliamentary control. For this purpose the Supreme Council, at this session, should form a control board to supervise the implementation of the state budget, government spending, and the rational use of state funds by any other agencies, enterprises, and organizations. [passage omitted]

These are some of the considerations I wish to share with you at the start of the present session. I wish you harmony in your work. Thank you for your attention.

Left, Right Promise Authorities 'Hot Political Fall'

MK0609071695 Moscow SEGODNYA in Russian 5 Sep p 4

[Report by Vladimir Skachko: "Fifth Session of Parliament To Open in Kiev Today. The Left and the Right Are Getting Ready for the Fall Offensive Against the Authorities"]

[FBIS Translated Text] It has become a kind of tradition for Ukrainian politicians to threaten authorities twice a year with spring and fall offensives of the working people. While in spring, working people are more concerned about sunshades on the beach than about political banners, in fall the revolutionary potential of the masses grows stronger.

This year is no exception. The spring offensive of the working people, extensively advertised by the leftist parties, failed due to the passiveness of its main actor, the people. By fall, however, Ukraine confronted its traditional problems: the threat of another fuel and energy crisis and cold winter; growing prices for gasoline and public services; a rise in state arrears in wage payments at budget-financed enterprises; and an uncertain outlook for the harvest. All of this has already caused unrest among miners, who several weeks ago refused to ship coal to debtors and demanded that Kiev pay their wages. The government found 4 trillion karbovanets for this purpose, which necessitated a new

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

emission and caused an abrupt inflationary fall of the Ukrainian currency against the U.S. dollar.

Naturally, the Left — banking mainly on workers, their usual constituency — was the first to take advantage of this situation. On 25 October, the All-Ukrainian Union of Working People is going to hold a nationwide protest action against the policies of President Leonid Kuchma and Premier Yevhen Marchuk. The leaders of the Socialists and the Communists have already announced that they will support the action. As always, the Donbass region has become the center of leftist activities. Some days ago, a meeting was held in Lugansk, with the assistance of the local administration and the participation of the Communist Party, the Socialist Party, the Civic Congress of Ukraine, the Ukrainian Young Communist League, the "Working People of Lugansk" and the "Union of Working Women", etc. The meeting decided to initiate an all-Ukrainian referendum in the fall demanding that a union treaty be signed between Ukraine, Russia, and Belarus, that the priority of state property be reestablished, that the institution of the presidency be abolished, and, in general, that the 1978 Constitution of the Ukrainian Soviet Socialist Republic be brought back to life.

The right-wingers — the nationalists and some of the national democrats — are no less radically opposed to the authorities. They have not forgiven Kiev for the beatings during the funeral procession of Patriarch Volodymyr of the Ukrainian Orthodox Church — Kiev Patriarchate. These forces accused the authorities of creating a police state and of being anti-Ukrainian. On 24 August, the Ukrainian Independence Day, these forces staged a protest action against Leonid Kuchma, who was laying flowers at the monument to Taras Shevchenko [Ukrainian poet]. Oleh Vitovich and Dmytro Korchinskyy, leaders of the Ukrainian National Assembly, an extreme nationalist party, told their supporters at a rally: "This fall will be ours," and promised that their "eardrums will never be exposed to democratic babble but, instead, will hear cannons, shots, and salutations in celebration of victory."

The Ukrainian Supreme Soviet, whose next session is to open today, is again running the risk of becoming an arena for the demonstration of these sentiments at the highest level, as has traditionally happened. This is caused also by the fact that both the Left and the Right have started to talk about denouncing the Constitutional Agreement, signed between the Supreme Soviet and the president. Some of the deputies who signed the agreement publicly declared that they might recall their signatures and accused the executive branch, which had been given additional powers, of failing to fulfill its promises. For the time being, the authorities are reacting quietly to all of this and emphasizing the purely legal aspects of the problem. Dmytro Tabachnik, head of the presidential administration, said at a news conference last week that the Constitutional Agreement cannot be legally denounced by having some votes recalled since the decision to sign it had been made not by individual deputies but by the whole Supreme Soviet.

The authorities can take comfort in feeling sure that their opponents — both on the left and on the right — will not be able to create a single platform for action and will start fighting both internally and with each other. Specifically, Vyacheslav Chornovil, leader of the Ukrainian People's Rukh, has already said that the signatures of the Rukh faction on the Constitutional Agreement cannot be recalled. "As for an offensive of the Left, we will respond with our own counteroffensive. We know how to do this," the Rukh leader warned. The Ukrainian centrists, Liberals, and even agrarians show similar sentiments. Oleksandr Moroz, a Socialist and speaker of the Ukrainian parliament, who appeared 3 September on Ukrainian television, also spoke with reserve about the executive branch's actions. He focused his attention on the need for the authorities to undertake concerted actions.

All of this means that there may be a hot political fall in Ukraine, but the politicians' trust in the authorities has not been exhausted yet. President Leonid Kuchma, speaking at a festive meeting on Independence Day, warned against engaging in a new political confrontation and constitutional crisis. To calm the public, however, the president promised once again to adjust the course of reforms by placing more emphasis on social security.

UNSO Leader Calls UNA Disbandment 'Unlawful'

AU0609095095 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 2 Sep 95 p 2

[Report by Anatoliy Rudenko: "Nationalists Oppose the Procurator General's Office"]

[FBIS Translated Text] Myroslav Lev, head of the Ukrainian National Self-Defense [UNSO] Lvov regional team and chairman of the organizing committee for marking the 40 days since Patriarch Volodymyr's death, regards the statement by Ukraine's deputy Procurator General on compulsory disbandment of the UNA [Ukrainian Nationalist Assembly] as unlawful. To begin with, it was issued in a wrong format. If the Procurator's Office finds it expedient to have a public association (the UNA political party is precisely such an association) disbanded by force, it must turn to court with a lawsuit and not with a statement.

The statement, signed by Ukraine's Deputy Procurator General O. Kolinko, was not sent to the right address.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In accordance with Article 32, Part 2, of Ukraine's law "On Public Associations," it is the Constitutional Court alone that has the right to adopt a decision on compulsory disbandment of a Ukrainian nationwide public association. In view of the absence of such a court in our state, no other judicial institution may adopt a resolution on disbanding the Ukrainian Nationalist Assembly.

At the news conference that was held in the premises of the HOLOS NATSIYI editorial board, M. Lev stated that the participation of UNA-UNSO members in the armed conflicts in the Dniester region, Georgia, or Chechnya cannot be used as a pretext for the action. The Ukrainian Nationalist Assembly did not adopt any decision and did not take any action on mercenary activities and, therefore, it cannot be held responsible for its members. They are free to do everything that does not contradict their principles.

The UNSO statement points out that Ukraine's Procurator General's Office acts as a political opponent of the UNA, because, while building a police dictatorship, the regime sees in the UNA an organized force that will not, under any circumstance, submit to the government's unlawfulness and arbitrary rule.

Ukrainian Ultranationalists Announce Expansion Plans

LD0509200095 Moscow ITAR-TASS in English 1625 GMT 5 Sep 95

[By Galina Nekrasova]

[FBIS Transcribed Text] Lvov, September 5 (ITAR-TASS) — The Ukrainian ultranationalist organisation UNA-UNSO [National Assembly-National Defense] announced that it is going to set up its branches in Russia and Belarus.

UNA leader Yuriy Tyma said in the Chernovtsy region that the branches would be formed by December in Belarusian cities of Minsk, Brest and Grodno.

He said successful activities were carried out by "a half-legal branch of UNA-UNSO in Moscow — the capital of a real external enemy of Ukraine."

Meanwhile, demands are broadening in Ukraine to ban UNA-UNSO.

The Civil Congress of Ukraine, a major left-wing party, has demanded from the Ukrainian president and the parliament to persecute Ukrainian former Justice Minister Vasiliy Onopenko for unlawful registration of UNA-UNSO.

The Congress' statement circulated in the Ukrainian media today says that UNA-UNSO has an armed militia in contravention to the public groups law.

The statement demands legal proceedings against the former justice minister for his "overstepping power and authority."

Official Views Corruption, Crime, Reform

WS0109103695 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 23 Aug 95 p 4, 5

[Interview with Hryhoriy Omelchenko, chairman of the Ukranian Supreme Council Commission for Fighting Organized Crime and Corruption, by H. Chernomorskyy; place and date not given: "We Deal With Elementary Criminal Elements"]

[FBIS Translated Excerpt] **Hryhoriy Omelchenko. Perhaps, there is no other politician in Ukraine whose name has been so often mentioned in the press, both central and regional. Young journalists as well as gray-haired "gurus" are trying with enviable stubbornness to associate themselves with Hryhoriy Omelchenko. And not because representatives of the fourth power can hear fantastic or sensational facts, or there is a magic tablecloth waiting for them in the office of the chairman of the Ukrainian Supreme Council Commission for Fighting Organized Crime and Corruption. There is another reason. The "rebellious colonel" is distinguished by superior impartiality in estimating events and facts, as well as by the facility for clear analysis, and the skill of predicting situations. In addition, People's Deputy Omelchenko has never avoided sensitive questions, and he is not trying to square accounts with his political opponents. He believes that singling out the essential is the most important thing.**

Line Up for a Frank Conversation!

[Chernomorskyy] People perceived skeptically enough the reports about the arrest of Vitaliy Polivoda — former Ukrainian president Leonid Kravchuk's security guard chief — by the Hungarian police. They think this way: So what that he was arrested? Supreme Council chairman's adviser Viktor Bozhenar was arrested back in March, and nothing happened. Perhaps they are not guilty at all. What about [Blasco company manager] Pavlo Kudyukin, and [Ukraine former Acting Prime Minister] Yukhym Zvyahilskyy.... As a matter of fact, can you tell us what kind of phenomena have we encountered? Are those people guilty, or perhaps these are really only political games?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Omelchenko] Guilty or not guilty — such a verdict can only be announced by the court. However, since the affairs you have mentioned are supervised by our committee, I will try to clarify the situation without disclosing the secrets of the investigations. In this case, we are dealing with elementary criminal elements, if we disregard the amount of damage inflicted on the state. Bozhenar has already been presented, and Polivoda will soon be presented with accusations of embezzlements on a particularly huge scale, in conducting illegal currency operations, as you surely remember also of a great scale, and for abusing their official positions.

As for politics, it seems that it is literally breathing on the criminals necks. Let me explain: Viktor Bozhenar was arrested on 6 March, and the very next day Supreme Council Chairman Oleksandr Moroz summoned on the carpet — I believe for a frank conversation — the state's General Prosecutor, the Security Service chief, and the interior minister. Telephones in our commission office and in the General Prosecutor's Office rang endlessly.... I would like to point out that the substance of these calls not necessarily withstood diplomatic protocol. Exactly the same situation occurred when reports about the arrest of Polivoda were received.

I would like to take this opportunity and through VSEUKRAINSKIYE VEDOMOSTI to warn all well-wishers and intercessors that attempts to exert influence on our commission will produce no results. No matter under how strong the pressure, we will expose the entire system of embezzlement and corruption at all echelons of state power. People should personally witness how low morality is valued in our state. As for the attempts to picture the situation as if Omelchenko and his colleagues are trying to square accounts with political opponents, this is all rubbish, nothing else. The primary issue for us is not the political position occupied by one or another official, but the disclosure of all the circumstances and aspects of criminal problems.

[Chernomorskyy] You have mentioned the abuse of official positions. Did the accused hold high enough posts? What could they do? And then the next question, the speaker's adviser has been behind bars for over five months, perhaps for nothing...?

[Omelchenko] Is it a journalistic habit to pretend that they are color-blind? Is it not clear what a miraculous effect the name of the Supreme Council chairman's adviser had on people? After all, all he had to do was telephone, let us say, any bank, and then from the other end of the line he heard: "What is your wish?" And at that time, he had stationery with the official emblem. I would like to believe that chiefs do not always know what their subordinates are doing. However, they are nevertheless responsible. It is their duty to know about it. After all, a commander is responsible for the regiment's affairs.

[Chernomorskyy] However, there was no official stationery in Polivoda's possession.

[Omelchenko] And he really did not need it. Believe me, Polivoda's name did the job at the necessary moment, similarly to Bozhenar's name. Since it was not a matter of some Petrenko or Chernomorskyy, but of a person close to....

The Bozhenar Case Includes Three Murders

Let us talk whether Bozhenar was arrested for nothing. Believe me, that it is not the case. A merchant was killed in Odessa, with whose help some 80 billion [currency not specified] of an entire state credit had been misused. The credit was acquired by Bozhenar on privileged terms. Another "new Ukrainian" with whom the adviser violated the law while doing business was shot and killed in Kiev. The third murder occurred in Russia. The late businessman had been helping Bozhenar to develop the so-called agricultural program for which the funds were allocated. The third person was also killed with an assault rifle burst under circumstances similar to the two earlier murders. All these facts indicate that one person ordered those three murders. I will not talk about other aspects of Bozhenar's criminal case. I can say, however, that his case is almost completed, and in two months or three at the most, he will go on trial.

[Chernomorskyy] At what stage is Pavlo Kudyukin's case? Is the issue of bringing Yukhym Zvyahilskyy's case to court determined yet? People say that such powerful forces stand behind the former acting prime minister that he will never be extradited to Ukraine. Is this true?

[Omelchenko] I do not want to speak particularly about Pavlo Kudyukin's case. It is a complicated and sensitive case as it is. After all, despite everything, this is a matter of returning to Ukraine millions of dollars which were shipped abroad illegally. As for Yukhym Zvyahilskyy, I cannot restrain myself from saying a banal phrase: "My heart aches for the state." There is no other person like that in Ukraine, and not only in Ukraine but in the entire world. This is a shame! There were obviously many such events in history when one or another prime minister committed offenses and even crimes. However, is it possible that a citizen of France or Spain would become prime minister of Great Britain? Benjamin Disraeli, an ethnic Jew, was the prime minister of Great Britain in the second half of the 19th century. However, at the same time he was a British citizen, and since he so well served his homeland — England — the queen

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

granted him the title of earl of Beaconsfield. Thus, as you can see it is not a matter of nationality but of belonging to specific state, and by this to its nation.

[Chernomorskyy] Did our Security Service not know that Zvyahilskyy was an Israeli citizen?

[Omelchenko] This was primarily the leadership's blunder. After some time, all the secrets will be disclosed. However, I think that Leonid Kuchma should do everything to bring Zvyahilskyy up before the court. This is a matter of the president's honor, and after all of the honor of each of us.

Hryvnya By All Means

[Chernomorskyy] Currently, there is a lot of talk about monetary reform. It is being awaited with hope and anxiety. Some expect that the introduction of the new national currency will bring definite stabilization to our life, and make our business life more reliable. Meanwhile, others are afraid that the reform will make the poor even poorer. Obviously, people still remember the sad experience of 1 August, when circulation of freely convertible currencies was suspended. On that occasion, even those who had never seen "bucks" in all their born days suffered losses. After all, when the dollar approached the exchange rate of 200,000 to one karbovanets, prices which went up everywhere never fell again. It is enough to say that within a week the price for sugar increased by 40 percent. Unfortunately, it concerns not only sugar. What do you think about this?

[Omelchenko] I would divide your question into two parts. Undoubtedly, the rebirth of the national economy is not possible without a monetary reform, which should help Ukraine overcome the crisis. Particularly, the president, the government, and also Ukraine's people's deputies count on that. It is believed that the forthcoming reform will invigorate our lives, and will help Ukraine attract tangible investments. However, the kind of situation we now have means that the introduction of the hryvnya will undoubtedly be of a confiscatory nature. Under these circumstances, the primary task of the state and its law enforcement agencies is to prevent dishonest businessmen from attempts to use the reform for their personal profit. You have spoken about the increase in prices which occurred after 1 August. After all, this is only one of the aspects we came across at the beginning of the reform. I will take a risk and predict that we will meet such negative phenomena many times this fall. This is the only way to do it. After all, currently around 213 trillion karbovantsi [K] are off the banks and "floating" freely. Perhaps the word "floating" does not precisely express the situation, given that the money is by no means free: They belong to mafia structures. If we add to this the sum of around $5 to $8 million which circulate beyond the National Bank's area of influence, since our dollars are currently abroad, then you will understand that we have to deal with a submerged part of an iceberg which is able to send more than one "Titanic" to Davy Jones's locker.

Which Version Does the Mafia Prefer?

[Chernomorskyy] You have mentioned K213 trillion. Is it not a fantastic figure?

[Omelchenko] Within this year alone, you are interviewing me for the fifth time. Tell me, have I ever "produced" unverified data? Was VSEUKRAINSKIYE VEDOMOSTI ever forced to publish a denial or print any amendments after my interviews or articles? The sum that we are talking about was mentioned at a regular session of the Coordinating Commssion for Fighting Corruption and Organized Crime in the president's presence. The volume of this sum has been confirmed by both financiers and law enforcement agencies. Believe me, those very same trillions are very likely to torpedo our economy. The point is that now there is not much time left until they are laundered within mafia structures. For instance, we cannot continue to delay the legalization of those dollars which are abroad and those which are "floating;" in this case, we have to act immediately. In my opinion, the criminal structures have two options. The first option is that by using corruption, certain groups of state bureaucrats will try to acquire solid real estate and land in the process of privatization. The second option is that they will try to convert karbovantsi into dollars or into other freely convertible currencies. Since our law enforcement agencies recently began to operate more purposefully and efficiently, we can predict that the mafia will go for the second option. You can be sure that the mafia is not going to crowd in front of savings bank cashiers to convert karbovantsi into hryvni. Using cash, it will pay K250,000 and more for a "buck" without giving it a thought. And we should not be sorry for "poor" shadow economists who are going to overpay while converting their money. They will get their compensation by reaping bank interest, which means at our expense. We are going to be the losers when they begin to actively get rid of the national "funny money." After all, together with the dollar exchange rate, prices will also rise, which will make our lives even less attractive.

[Chernomorskyy] Mr. Omelchenko, you have painted a dark enough picture. Can you add a few lighter colors?

[Omelchenko] I would like to use pink since I am not color- blind and can distinguish colors. However, no matter how hard I try, pink is not suited for here.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Incidentally, there is also the positive aspect, which I did not mention. The reform — I really do hope for it — is just the thing which may finally put an end to the mafia structures' financial dictate, or at least may efficiently clip its wings, and make it impossible for the mafia to build their prosperity on the nation's poverty. However, this will happen only if law enforcement agencies conduct an excellent job and all strata of society help them.

Give to the Prosecutor What Is the Prosecutor's

[Chernomorskyy] How, in your opinion, can we explain the dismissal of First Deputy General Prosecutor Valeriy Danylenko? After all, if we consider the facts that Valeriy Danylenko was appointed to that post at the time when the general prosecutor's position was rather shaky, and that [General Prosecutor] Vladyslav Datsyuk himself dismissed his first deputy, then we can come to quite clear conclusions.

[Omelchenko] I do not agree with the way you described the issue. It is true that the appointment of Valeriy Danylenko coincided with a time which was not easy for the general prosecutor and the department led by him. Currently, a reorganization is being carried out in Ukraine's General Prosecutor's Office. And this is also fully understandable: Society is changing, the state is changing, and also the power structures are changing. There is nothing strange about the fact that Valeriy Danylenko has been relieved of his duties, I will say once more relieved and not dismissed by order of the general prosecutor. It is the latter's prerogative to appoint or dismiss his own deputies. Everything is legal in this area. It never even occurred to me that in this case we have a situation of squaring personal accounts, not mentioning a reprisal for different political views. I believe that for such an experienced and principled employee as Valeriy Datsyuk, a honorable place can always be found. As we say, such experts do not grow on trees.

Our Moral Chernobyl

[Chernomorskyy] It should not be difficult for you, a jurist with a scientific degree, to provide us with an assessment of the events which occurred in Kiev on 18 July — the funeral of Patriarch Volodymyr.

[Omelchenko] The General Prosecutor's Office is carrying out an investigation to disclose all the circumstances of this tragedy. By now, many secrets have become public. However, being a lawyer, I am obligated to restrain myself from any legal assessment, and thus to avoid any impact on the investigative process. As a Ukraine people's deputy, and after all, as a human being I will try to give a moral-ethicial assessment of this event. It is such a pity that our executive power did not find an acceptable way to avoid this tragedy. The event which occurred is our moral Chernobyl. There is no room in Christian morality for such a tragedy. And not only Christian, I think that even pagans did not treat their dead compatriots this way. They had the greatest respect for death. Ukraine's international prestige was dealt a serious blow. This blow was dealt to our statehood and nation. And for a long time we are going to experience its negative consequences. [passage omitted]

Crimean Parliament Speaker Defends Crimean Premier

LD0509220595 Kiev UNIAN in Ukrainian 1745 GMT 5 Sep 95

[FBIS Translated Text] Simferopol — "Only after the Constitution of Crimea is passed will we be able to develop legislative acts," Yevhen Suprunyuk, the speaker of the Crimean Supreme Council, said at his first news conference today. Speaking about the relations between Ukraine and Crimea, he stressed that Ukraine is meeting the Autonomous Republic of Crimea half way as proved by the consultations with the president and the prime minister of Ukraine that have been held. However, Yevhen Suprunyuk stressed, "there is a certain misunderstanding on the part of some officials," when they violate the agreements reached. This concerns, in particular, the situation relating to the transfer to the property of Ukraine of the fifth and the sixth state dachas and the sanatorium "Pivdennyy."

Yevhen Suprunyuk believes that Crimean Prime Minister Anatoliy Franchuk copes with his work, and the Supreme Council of Crimea will campaign for him to remain in the capacity as head of the Crimean Government. Answering a UNIAN correspondent's question, Yevhen Suprunyuk noted that he had read the material in the newspaper KYEVSKYYE VEDOMOSTY [KIEV NEWS] about the link between the prime minister with criminal groups.

Yevhen Suprunyuk said that the leadership of the Supreme Republic of Crimea [title as received] has its own vision of "the effect of the edicts of the president of Ukraine about the bodies of executive power and the State Property Fund of the Autonomous Republic of Crimea" and "that vision will be submitted to the president of Ukraine" in the near future.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

President Kuchma Meets Officials in Crimea

AU0609095195 Kiev HOLOS UKRAYINY in Ukrainian 2 Sep 95 pp 1, 2

[Report by Anatoliy Krasiyanskyy from Feodosiya and Kiev: "Bread and Conversion. Ukrainian President Leonid Kuchma Visited Feodosiya"]

[FBIS Translated Text] During this visit to Crimean land, our president focused on two issues: What to do with the defense industry and what measures our power structures are taking to "extricate" the rural areas from economic hardships.

The State Needs Both Sputniks and Ships

Leonid Danylovych was sincerely astonished: It appears that 65 percent of air-cushion vessels were built here at the Feodosiya Production Association "More" [Sea], and not in some faraway Sormovo. General Director Leonid Astakhov showed the president, Vice Prime Minister Anatoliy Kinakh, and ministers who arrived together with the head of state to this enterprise in Feodosiya, more and more products. Amphibious assault vessels that may negotiate both dry land and sea and withstand blows of six-meter-high waves, advanced anti-submarine ships that may cover 80 kilometers an hour, and other up-to-date equipment necessary for our state's defense.

"Are there many contracts signed for purchasing your products?" asked the Ukrainian president.

The generál director replied gloomily: "Very few."

This is what may be called the most painful aspect to our defense industry. The best specialists and whole institutes live on a starvation diet in expectation of any work, not necessarily interesting.

Later, during a brief news conference, Leonid Danylovych said:

"It is clear that Ukraine does not need such a powerful military-industrial complex. These are realities that nobody can deny. Our task, however, is to keep our outstanding specialists and find worthy occupation for them. We must look for our place on the market and manufacture competitive products that would be of interest for both military and civilian consumers."

"Incidentally," he added, "I congratulate you on the first Ukrainian artificial earth satellite. It is a great event for our state."

He expressed the same ideas in talks with the leadership of the production association and workers who met with the head of state in the workshops.

"Look for contracts. Do not lose heart, but build such vessels as other countries would want to buy. The state will assist you in this."

Bread Is at the Beginning of All Things

At the enterprise, the Ukrainian president met with heads of town and rayon councils of the region. Leonid Danylovych announced the main topic of the conversation right away:

"I would like, first of all, to hear out representatives of villages. Even though the harvesting is over, the problem of bread and other foodstuffs has not been resolved."

Here are the main points of the conversation.

The state has helped the rural regions, despite all the difficulties this involved: It provided them with mineral fertilizers and means of plant protection virtually on credit and procured petroleum products for them wherever it could. The villagers must also reciprocate: Sell corresponding amounts of grain to the state in accordance with contracts.

It is necessary to do everything to preserve the harvest. Turkmenistan, for example, is ready to accept from Ukraine anything it may offer for gas: vegetable preserves, meat, or bread. Much of our products still rot in the field and in barns. We must emerge with all of this on the market, show more determination in finding partners, and exercise our commercial talents.

The president agreed with comments by council chairmen: We have not yet achieved true parity between agricultural and industrial products. Here, the state will have its say. As before, the agricultural producers are swindled by the processing industry. That is why necessary amendments will be made during transforming such enterprises into joint-stock companies.

Answering remarks by the council chairmen about difficulties they encounter with the supply of gas, coal, and petroleum products, the Ukrainian president said that the state does much to enable us to live through the winter without losses. He stressed once again that it is necessary to explore the Black Sea Shelf more dynamically so that Ukraine would acquire its own petroleum products.

Kuchma Meets Sevastopol Administration Head

WS0609105795 Kiev UT-1 Television Network in Ukrainian 1800 GMT 5 Sep 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma met with head of the Sevastopol State Administration Viktor Semenov in Crimea on 5 September.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The head of tate was informed about the current socioeconomic situation in Sevastopol. The problem of nonpayments, including the Black Sea Fleet's debt to Sevastopol, was addressed in a particularly acute manner. The fleet's debt for municipal services alone amounts to more than 700 billion karbovantsi. Issues of the Ukrainian and Russian sides' activities on realizing the Sochi agreement and on joint measures for the development of Sevastopol's social sphere were also discussed. Kuchma requested that appropriate ministries and departments analyze these issues. They are to render practical assistance to the Sevastopol State Administration in solving the existing problems.

Deputy Prime Minister Explains Monetary Policy

AU0209084095 Ivano-Frankivsk HALYCHYNA in Ukrainian 24 Aug 95 pp 3, 6

[Interview with Deputy Prime Minister Viktor Pynzenyk by HALYCHYNA correspondents Oleh Basok and Vasyl Nazarchuk; place and date not given: "In One's Own Home — One's Own... Will. And One's Own Reforms"]

[FBIS Translated Text] [HALYCHYNA] Viktor Mykhaylovych, this interview is being given on the eve of one of the greatest holidays in the life of the Ukrainian people — Ukrainian Independence Day. Four years of life in a cherished independent state! What did you expect from them, and what has been actually achieved? How do you assess them in general?

[Pynzenyk] For me, it was an extremely interesting period. To tell you the truth, I did not even expect that I would live such a full and rich life and bear such an enormous responsibility for the fate of the state and people. However, let us face it, we are all somewhat spoiled — products of the old system — and we will probably carry in ourselves its elements until we die. It is all the more interesting and challenging to try and extricate ourselves from its clutches, look at everything differently, and try to work in a new way. Honestly, this is simply thrilling. We have become masters in our own home. Nobody any longer tells us what to do and how to do it, when to sow, when to reap the harvest, or when to dig. There are great possibilities for developing one's abilities and for showing what one is worth of. How have we used this wonderful chance? Unfortunately, on the other hand, it was a period of hesitation, a period of foot-dragging, and the time for trial-and- error. This is not just a matter of Ukraine still remaining in the crisis situation. It could not emerge from the crisis. When reforms are discussed, everything is actually safe from reform. For example, we achiefe financial stabilization. This continues no longer than three or four months. Tomorrow, there is another session of "all hands to the pump!" We need money. The treasury is empty. There you go again — print more money. And again, we find ourselves in a bog.

No wonder that people are losing faith in reforms and, unfortunately, their attitude to the state is also changing. We should not have come to that. However, too much time has been wasted. I recall the year 1992, when there was talk of the need to proceed to world prices. Everybody protested — we will perish! Well, today, Ukraine already has world prices.

[HALYCHYNA] Even higher....

[Pynzenyk] Yes, higher. Had this been done earlier, we would have long passed over the shock of such a transition. We would have achieved much more than is the case today. And the people's standard of living would have been higher.

So far, Ukraine has only received the political attributes of an independent state. Today, the question of economic independence is on the agenda. I do not imply that we will start producing everything on our own. Independence does not consist in this. Rather, it means that Ukraine's economy must provide everything it needs with the help of its own financial resources. Something needs to be purchased in America — we buy it in America, in Russia — we pay money and get it. Like Japan, for example. It is not a problem of energy sources. If there are no energy sources — there is something else that we can produce and sell on the world market.

That is why, today, we must mainly focus on economic independence. We have permanently been saddled with debts, and, for a state, life in debt is an impasse. I hope that, in the next few years, we will be able to change the situation for the better. We already have a certain stabilization that will enable us to gather strength and make our next step.

[HALYCHYNA] Unfortunately, the situation has deteriorated somewhat lately. Incidentally, how will you comment upon the fall of the karbovanets?

[Pynzenyk] It was partly predicted — there were excessive credit injections and issuing of money in early August. However, it was expected to result in a change in the karbovanets exchange rate by approximately 15 percent, or to 160,000-165,000 karbovantsi [K] per $1. Fortunately, decisions on issuing more money were not approved. That is why the change in the rate is largely due to the excitement around the monetary reform, especially allusions to its allegedly confiscatory strategy. This leads to a normal human reaction. Today, people have more than K200 trillion (about $1.5 billion) outside banks. This money could, undoubtedly, strengthen the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

situation on the market. However, not to an extent that may justify panic. I, therefore, hope that a reverse process must now take place — the activity at money-exchange stations will subside. I want to reiterate: We have no grounds for carrying out a confiscatory-type reform. We adopted a decision to oust the dollar from circulation in Ukraine, and by such methods [confiscation], we will never oust it. To get rid of the cherished greenbacks, one must be sure of a stable exchange rate of the national monetary unit.

[HALYCHYNA] Viktor Mykhaylovych, how will this fall of the karbovanets affect the monetary reform? It has already been announced that it will be conducted in October. And yet....

[Pynzenyk] You know, I hope that this may even produce a positive effect. You must have noticed that, despite the president's position that he has repeatedly voiced (I believe that it is an absolutely correct position) about the nonconfiscatory character of the reform, high-ranking officials have lately alluded to its allegedly confiscatory strategy. That is why this collapse may push those, who still hesitate, to the first and the only right variant of monetary reform.

[HALYCHYNA] Yesterday, at a briefing for journalists in Kiev, a deputy chairman of the National Bank said that everything was ready for carrying out a monetary reform. It is known, however, that there were problems — with determining the rate of exchange for the hryvnya, with the stabilization funds, and so on. Have these problems been resolved, or, perhaps, not everything is clear to this day?

[Pynzenyk] Here, I would have given less attention to technical matters. Because the hryvnya was printed a long time ago. There is a necessary structure for coins; they are minted in Ukraine, and the hryvnyas are also printed here. Thus, there already exist the necessary conditions from the technical point of view. However, there is a certain paradox here. Much is being said about introducing the hryvnya as a freely convertible currency. Yet, the karbovanet is also an internally convertible currency. So, the problem is being made unnecessarily complicated.

The significance of the stabilization fund is also being exaggerated in our country. To begin with, Ukraine already has quite good reserves that we have accumulated over the last nine months. Ukraine's currency reserves already exceed $2 billion, and we started with a sum several times smaller. I must tell you one more thing: We have not lost a single dollar from the IMF loan. Things have turned out to be even better than we expected. Dollars started flowing back to Ukraine in considerable amounts and at a rather fast rate. Between December 1994 and July 1995, $650 million more flowed into Ukraine than the dollar's worth of exported goods and services. This is one of the reasons why Ukraine has been swiftly accumulating currency reserves.

With regard to the hryvnya's exchange rate, two rates may be introduced. One — floating, that is to speak, what we have today. The other rate of exchange is linked to the foreign currency: the U.S. dollar, ECU, or German mark. I personally would give preference to a linked exchange rate. As was done by Poland or the Baltic countries. The linked exchange rate produces an incredible stabilization effect. With the linked exchange rate, the dollar will become unnecessary in just a half-year. People will get rid of it voluntarily, because it will be more profitable to have savings in the national currency. At the same time, the floating rate will always generate agitation, and its waves may be quite strong. In this situation, people will be afraid to dispose of their dollars.

[HALYCHYNA] Viktor Mykhaylovych, you said that $650 million have returned to Ukraine. Does it take some amnesty for the capital taken abroad to return in billions or even dozens of billions of U.S. dollars and not just millions?

[Pynzenyk] No amnesty is needed. On the contrary, no amnesty will ever return capital. Why not? When corresponding conditions are created, capital finds legal channels through which it gets into the country. However, it will return when this is profitable. Such a foundation has already been created. The second thing that needs to be done very fast is privatization. Both for returning the capital and for intensifying production. We must now implement structural reforms — restructure our enterprises. I will say openly — this will result in unemployment. Expeditious privatization alone may provide unemployed with new jobs. Privatization must now be carried out at a very fast pace. Legal ways for the capital to return to Ukraine can be found very easily. You think that the majority of joint ventures represent foreign capital? It is foreign de jure, but Ukrainian de facto. Of course, not all of it. This is done very simply: A firm is registered, and money returns there by itself. For us, it is only important to see to it that this money returns here and starts working for the Ukrainian economy. That is why I reiterate once again that even the very talk of monetary reform's confiscatory nature is inadmissible. If my karbovanets are confiscated from me today, I will always feel apprehensive that, if I bring in dollars, they or my property may be confiscated.

[HALYCHYNA] You have touched upon privatization without which other processes will not proceed either. Why do you think privatization proceeds with such

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

difficulty? Small privatization should have been completed by now, as well as large privatization. There is no progress so far. It appears that the presidential edict will never be fulfilled.

[Pynzenyk] Such a threat really exists. It will be difficult to privatize 8,000 enterprises. However, there are changes for the better. In June, 50 percent of all facilities offered for privatization for a whole year were privatized. What hampers the process? The absence of will and determination. Here, our main task is not to get money, but to get things moving. An unfinished factory stands idle. It may be given to somebody for free, but on the condition that its completion will start the very next day. This means work for construction workers, new jobs, wages, and profits. In a year, the enterprise will yield output. What is an alternative to this? Let it crumble and let it be plundered?

We have tens of thousands of such unfinished projects. That is why their fate must be decided very quickly. Regarding small privatization, it must also be conducted very quickly. As well as restructuring of enterprises.

[HALYCHYNA] Many people are somewhat alarmed by the president's speech in Uzhhorod when he spoke about adjusting the course of economic reforms. Do you believe that many people in the Ukrainian leadership are interested in such adjustment?

[Pynzenyk] I do not know how detailed was the report on the president's visit to the Stock Exchange. There was one clear statement there. I will not quote it precisely, but its essence was as follows: If it is a matter of deviating from a stringent financial policy, there will be no such adjustment. Something else needs to be adjusted: Today, the issue of restructuring enterprises is coming to the foreground.

I now have a different view of privatization than I did before. Not just in the context of general economic reform, but also in a social aspect. We start restructuring. This means dismissal of people. We cannot afford having serious unemployment. And privatization creates jobs quickly.

[HALYCHYNA] Viktor Mykhaylovych, how would you comment upon the almost theatrical pause maintained by the president before giving you your new governmental appointment. Besides, how have you resolved the question of dividing powers between [Minister of Economy] Mr. Shpek and yourself?

[Pynzenyk] Unfortunately, you have almost hit the bull's eye. Right, my appointment was delayed in connection with issues of the government structure. Talks about it started a long time ago, but I did not want to be a "minister without portfolio." It was simply a matter of normal subordination. There was no other talk or other reasons, even despite the change of status. However, unfortunately, I must admit that the question has not been resolved to this day.

[HALYCHYNA] We heard that you spent your vacation in Huta. How did you like it? Also, what do you think about prospects for tourism in the Ciscarpathian Region?

[Pynzenyk] I think that prospects are good, but it will take some time. If you want highly profitable tourism, much must be invested first. Even though conditions in Huta are already quite good. I am here for the second time (the first time was in May), and a few days before going to work, I want to visit here again. I like this location very much.

[HALYCHYNA] Viktor Mykhaylovych, what would you say to residents of our region whose life, as you know, is not easy? How can you reassure them?

[Pynzenyk] Primarily, not to lose heart. Recent months have shown that it is possible to emerge from the crisis. I think that this was particularly felt by those who work at enterprises that have not become demoralized and continue functioning normally. Because, when inflation went down, the standard of living actually begun improving, and the wages started rising faster than prices. This was not the case during the period of inflation. Consequently, they need a stable situation. They must be confident that those people who are referred to as monetarists (and who must be aware of this "rebuke") do not want inflation to prevail and that those people know that as long as the bag with new money is kept open, inflation will continue. To prevent inflation, it is necessary to cease printing new banknotes — this is something that any ordinary sensible person realizes, because it is only a stable financial situation that will enable us to improve the standard of living. According to my estimates, we may raise the level of wages in Ukraine to $100-120 a month, without changing production, but simply as a result of financial stabilization. I think, we will achieve this.

[HALYCHYNA] Thank you for the interview.

Bank Appointed Agent for Credit Guarantees

MM0609104095 Moscow IZVESTIYA in Russian 5 Sep 95

[PRAYM report: "Ukrainian Government Appoints Eximbank Agent for Guarantees to Foreign Creditors" — from the "Financial IZVESTIYA" section p iii]

[FBIS Translated Text] The Ukrainian cabinet has appointed the State Export-Import Bank broker in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

providing government guarantees or other pledges to foreign creditors regarding the repayment of Ukrainian enterprises' debts in foreign currency. The government Currency and Credit Council will consider the question of providing guarantees only if the borrower has signed a collateral security agreement with the Export-Import Bank.

Ministry Responsible For Nuclear Accident Warnings

LD0509124695 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 5 Sep 95

[FBIS Translated Text] The Ukrainian Cabinet of Ministers has made Ukraine's Ministry of the Environment and Nuclear Safety the proper national body and point of contact responsible for reporting and receiving information in the event of a nuclear accident. The Cabinet's resolution charges the ministry and the State Committee for the Use of Nuclear Power with taking measures to fulfill Ukraine's obligations vis-a-vis the Convention on Early Notification of a Nuclear Accident and the Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency.

Economic Issues

Official Outlines Energy-Saving Program

WS0509130395 Kiev UKRAYINA MOLODA in Ukrainian 29 Aug 95 p 3

[Interview with Mykhaylo Kovalko, chairman of the Ukrainian State Committee for Energy-Saving, by Dmytro Lykhoviy on 19 Aug; place not given: "Mykhaylo Kovalko: 'My Dream Is That We Produce as Much Energy as the United States and Save as Much of It as Denmark'" — first four paragraphs are UKRAYINA MOLODA introduction; last two paragraphs are UKRAYINA MOLODA conclusion]

[FBIS Translated Text] **Our meeting with Mykhaylo Kovalko, chairman of the State Committee for Energy-Saving, took place on the Transfiguration [19 August]. Mykhaylo Petrovych immediately noticed a symbol in this, and drew out of the repository of common wisdom the following adage, directly connected with his professional duties: "The Transfiguration has come, its time to stockpile goods." As became clear later during our conversation, energy-saving is reflected well in our national folklore, and Mykhaylo Kovalko is familiar with both topics. Continuing to use the unfading national genius, Mr. Kovalko confirmed that "it is better to save one's own things than spend someone else's" and that "while the coat hangs in the wardrobe the back shivers," and even cited the Englishmen who believe that "if it is cold, put on a shirt; if it is very cold, put on a sweater; and if you can't stand it anymore, turn on the heat."**

As Mykhaylo Kovalko claims, he does not stop confirming his reputation as the "main energy-saver" in his apartment at Victory Square: During the winter he does not regulate the temperature by opening the door; he takes only cold showers in the morning (this is also better for one's health), and, in general, he even saves cold water.

Kovalko came to energy-saving from a related basic industry: For a long time he headed the State Oil and Gas Committee, until he resigned due to a transfer to a parliamentary job last December. And now his job is with the State Committee for Energy-Saving, which, according to Mykhaylo Petrovych, should exist in every developed country.

UKRAYINA MOLODA File

It has been proven that in the area of energy-saving, Ukraine, a country with limited resources, has outstripped even Russia, which does not have a similar committee. (Possibly, the Russians consider it useless to "save our depth's riches" because of their abundance). In our country, the Supreme Council passed a law on energy-saving on 1 July 1994; a year later the draft national energy program was adopted in its first reading; and on 26 July President Kuchma issued an edict establishing the energy-saving committee.

[Kovalko] Our committee was charged with resolving Ukraine's great problem. In terms of production of energy per capita, we are currently a leading European country, along with France and Germany. But we use two or three times as much energy per production unit as they do. This correlation should be changed.

Here is an example. According to TACIS (EU program for cooperation with CIS countries), in Denmark, for instance, 1.3 kilowatts were used to produce 1 kg of glass in 1992, while in Ukraine — 3.8 kilowatts, which was almost three times as much.

My dream is that we produce as much energy as the United States and save as much of it as Denmark. In 1990, the Danes reduced the use of energy to the 1973 level, and their GDP increased by 40 percent over this period of time. This is a good example of efficient use of energy!

[Lykhoviy] What are the energy losses in our entire economy?

[Kovalko] We are currently estimating a general figure indicating energy losses, and are drafting an energy

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

balance sheet. I can say, however, that in 1990 we used 60 percent more energy than it was necessary. We are currently maintaining the same level — technologies are not being changed, and the equipment is outdated.

[Lykhoviy] What levers does the committee have to meet the requirements in the area of energy-saving, that is, to make your dream come true?

[Kovalko] Our primary task is to create, on behalf of the state, economic and legal conditions for managers to be interested in energy-saving. On the one hand, we should draft normative and legally-binding acts, set standards, issue licenses, and create norms; on the other hand, we should supervise the implementation of laws and other acts in this area. I must say that every oblast administration will have a department dealing with energy-saving issues. Every branch of the economy will also have such a department. In general, the energy-saving program will be elevated to the national level.

[Lykhoviy] What are the main provisions of this program — in terms of your dreams about energy-saving coming true?

[Kovalko] I reserve three stages for this program. The first stage (1995-1996) consists in resolving organizational issues and implementing an administrative system. In the immediate future, we are to eliminate all evident cases of wasting energy connected with poor management and negligence. For example, look at thermal electric power plants: Wherever you go, pipes from these plants to housing developments are not insulated, and this accounts for 30 percent of losses. The problems of leakages of gas and water and low-quality shut-off systems do not need huge expenditures to be resolved. And this means a 10 percent reduction of energy losses.

At the second state of the program (until the year 2000), we will resolve issues connected with minor investment and engineering corrections. This, according to our estimates, will make it possible to remove between 15-20 percent of energy losses per GDP unit.

The third stage will be structural reconstruction of branches, and requires technical innovations, qualitatively new scientific solutions, and structural reconstruction of the entire economy. Following this, Ukraine could switch to self-efficiency in energy supplies.

[Lykhoviy] How much money is needed to finally overcome the energy losses? Could it be that the expenditures for energy-saving will be higher than the result of this saving?

[Kovalko] As for the latter, our entire policy is aimed at making energy-saving convenient for everybody. And this requires a lot of money. We have yet to estimate specific sums — the committee has just been set up. Energy-saving is a component of a general energy program, and the latter requires approximately 8.6 quadrillion karbovantsi by the year 2010. The cost of primary energy-saving measures is almost $6 billion.

[Lykhoviy] Mykhaylo Petrovych, at the well-known Cabinet of Ministers meeting on the hard winter held on 10 December last year, you (as then State Oil and Gas Committee chairman) suggested to raise retail prices for oil and gas and close loss-making energy-intensive companies for the winter period. Has your viewpoint changed now that you have become Energy-Saving Committee chairman?

[Kovalko] This is a very meaningful question. Price is really the main factor regulating energy-saving. Countries that experienced energy crises in 1973 and 1979 introduced this factor as the primary one. It essentially affects the energy-intensiveness of GDP, energy losses, and finally — a nation's living standards.

The approach toward the issue of whether it is necessary to turn off power at companies during the winter will be weighed. If a company produces a product which nobody needs, and which remains in a storehouse, and if it does nothing to improve its performance, I can say only one thing: Nobody should make losses. If a plant has not been paying for energy for years now, and does not even consider a transition to market principles, it simply robs those who work. However, one can currently observe a certain enlivening in the industry, and I believe that we will increase the volume of production.

According to Mykhaylo Kovalko, the resolution on the State Committee for Energy-Saving was drafted within a month, as was commissioned by the president. "Our body," the committee chairman promises, "should begin operating as soon as possible. Time is urging us — the winter is approaching."

Although this winter should be easier than the last one, according to the expert in national customs and folklore wisdom Kovalko, the government is already actively preparing for cold weather, and the main topic of Cabinet of Ministers meetings is power engineering. Even while on vacation, the president is concerned about energy sources at Crimea's Shtormove deposit. So, will we have enough heat? We hope so.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Presidential Edict on Land Shares

954F3160A Kiev GOLOS UKRAINY in Russian 12 Aug 95 p 2

[Edict of the president of Ukraine: "On Procedure of the Sharing of the Land Transferred to the Collective Ownership of Agricultural Enterprises and Organizations"]

[FBIS Translated Text] To ensure realization of the urgent measures to accelerate land reform in the sphere of agricultural production and in accordance with part two of Article 25 of the Constitutional Agreement Between the President of Ukraine and the Supreme Council of Ukraine "Basic Principles of the Organization and Operation of State Power and Local Government in Ukraine for the Period Until the New Constitution of Ukraine Is Adopted," I resolve:

1. To establish that agricultural land transferred to the collective ownership of collective agricultural enterprises, agricultural cooperatives, and agricultural joint-stock companies, including those formed on the basis of sovkhozes and other state agricultural enterprises, is to be divided into shares.

That the land of the sovkhozes and other state agricultural enterprises shall be divided into shares following their conversion into collective agricultural enterprises.

That the division of the land into shares shall provide for determination of the dimensions of the portion (share) in the collective ownership of the land of each member of the collective agricultural enterprise, agricultural cooperative, and agricultural joint-stock company without the allocation of plots of land in kind (on the ground).

2. That members of a collective agricultural enterprise, agricultural cooperative, and agricultural joint-stock company, including retirees who worked there earlier and who remain members of the said enterprise, cooperative, or company, shall be entitled to a land portion (share) in accordance with a list attached to the official deed conferring the right to collective ownership of the land.

At the time of the division into shares, the value and dimensions in standard cadastral hectares of the land portions (shares) of all members of the enterprise, cooperative, and company shall be equal.

3. The value of the land portion (share) for each enterprise, cooperative, and company shall be determined on the basis of a monetary valuation of the agricultural land transferred to collective ownership computed by the methods of the monetary valuation of land approved by the Cabinet of Ministers of Ukraine and the number of persons entitled to a land portion (share).

The dimensions of the land portion (share) in standard cadastral hectares shall be determined on the basis of the value of the land portion (share) and the average monetary valuation of one hectare of agricultural land for the given enterprise, cooperative, or company.

4. The dimensions of a land portion (share) shall be computed by commissions formed in the enterprises, cooperatives, and companies from the ranks of their employees. The decision to approve the dimensions of the land portion (share) computed by these commissions for each enterprise, cooperative, and company individually shall be adopted by the district state administration.

5. The citizens shall be issued certificates of title to a land portion (share) of a uniform specimen in Ukraine, and they shall be registered by the appropriate district state administration.

6. Should the owner of a land portion (share) leave a collective agricultural enterprise, agricultural cooperative, or agricultural joint-stock company, the plot of land shall at his request be allotted in kind in the established procedure, and an official deed conferring the right to private ownership of this plot of land shall be issued.

After a citizen has been issued the official deed conferring the right to private ownership of the plot of land, the certificate of title to the land portion (share) shall be returned to the district state administration.

7. To establish that the reserve fund created at the time of transfer of lands to collective ownership shall be used for the transfer to private ownership or the allocation for use of the plots of land chiefly to citizens employed in the social sphere in the countryside and also to other persons who are admitted as members of agricultural enterprises or who move to a rural locality for permanent residence.

8. That the Cabinet of Ministers of Ukraine shall:

approve within a month's time the form of the certificate of title to the land portion (share) and the specimen Certificate Registration Book;

organize the production of certificates in the requisite quantity.

[Signed] L. Kuchma, president of Ukraine.
City of Kiev, 8 August 1995.

Agriculture Minister on Job, Reform, Tasks

WS0609100795 Kiev HOLOS UKRAYINY in Ukrainian 31 Aug 95 p 5

[Interview with Ukraine's Minister of Agriculture and Foodstuffs Pavlo Haydutskyy, by Oksana Holovko;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

place and date not given: "Our Task Is To Bring the Efficient Economic Manager Back to Life" — first three paragraphs are HOLOS UKRAYINY introduction]

[FBIS Translated Text] By the Ukrainian president's edict, Pavlo Haydutskyy has been appointed Ukraine's minister of agriculture and foodstuffs.

Pavlo Haydutskyy was born in Ternopil Oblast in 1950. In 1972, he graduated from the Ternopil Financial-Economic Institute. Haydutskyy is a doctor of economic sciences, a professor. He is married and has two sons. Before his appointment to the ministerial post he worked as head of Ukraine's State Committee for Land Resources.

The formation of new production relations in the agro-industrial sector, the management of the processes that are under way in agriculture, and the forecasting of trends in the sector's development — although slowly — are taking an appropriate position in our state's policy with regard to the village. All those changes do not come easy, because they are closely connected with the economy's general situation. At the same time, the potential of agriculture and the entire agro-industrial complex is so far being used only at one-third of its capacity. Our correspondent has discussed the problems of the sector with Pavlo Haydutskyy.

[Holovko] Pavlo Ivanovych, we would like to believe that the functions of the Ministry of Agriculture and Foodstuffs as an organization, which used to dictate to farmers when to sow and when to harvest, are part of the past now. Your appointment to this important post promises certain changes. What is your vision of the functioning of the sector, headed by you, and of your ministry's role?

[Haydutskyy] The first, and probably the most important function is the organizational one, which should encourage the efficient use of the existing agrarian potential. The second function is that of creating economic conditions for activities — one might call them the rules of the game — which would ensure efficiency. As for the organizational aspect, we should work in two directions. The first direction is that of reforming economic structures, searching for owners and managers, and providing the latter with recommendations on how they can make a better use of their potential. We should offer more than just a spectrum of options; we should accompany them with an economic justification. Managers will be grateful for that.

[Holovko] Or perhaps they will not be grateful.

[Haydutskyy] If we work inefficiently, then they will not. The other direction — the economic one — poses a much more expansive task. It includes the creation of efficient ties between commodity producers, the Ministry of Agriculture and Foodstuffs, the Ministry of Economics, the Ministry of Finance, and the concerned state committees. Those kinds of ties should facilitate the implementation of state policy in the agrarian sector, as well as support and uphold the interests of agricultural commodity producers. At the same time, the Ministry of Agriculture and Foodstuffs should act as an efficient state mediator.

Great tasks are awaiting us in the sphere of agricultural production. Those primarily involve the infrastructure of procuring and selling products, maintenance of hardware, and the like. The recent conference in Khmelnytskyy, which was attended by President Kuchma, demonstrated that currently we do not have domestic leasing companies offering hardware for villagers on any terms. Meanwhile, we are in a dire need for such companies. We do not have efficient selling organizations which would ensure procurement and shipment of products from remote places. There are monopolists who do not want to work even on terms of small-scale wholesale trade, not mentioning small-scale retail trade (that is both with farmers and private owners). We currently have entire rayons where virtually all the milk is produced by individual farmers. We should get there and buy milk from them. In addition, the initiation of relations should be carried out on equal terms. As time goes by, the procurement structures should not discredit themselves in the eyes of commodity producers and should not acquire the "image" of looters, as often happened in the past. Making profits on farmers' labor, those kinds of structures not only discredited themselves in the past; they also discredited the ministry which created and supported them.

The ministry will retain the traditional function of developing scientific-technical policy. This involves agrarian policy, support for all the basic sectors, stock-pedigree breeding, genetics, selection, the seed industry, veterinary, and continuous agricultural production. While overcoming the crisis, we must ensure uninterrupted production. In the long run, this should become the essence of the ministry's functional activities. At the same time, we should get rid of the mediatory, wholesale, commercial-servicing functions.

[Holovko] Will the elimination of monopolism create a certain vacuum between producers and processing industries?

[Haydutskyy] The elimination of monopolism does not amount to dashing all the positive traits that we have within our structure. We should approach this matter approximately in the same manner as we approach bankruptcy. Managers or owners go bankrupt; but prop-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

erty does not. Those functions, forms, and mechanisms which lead to more administration or unnecessary consolidation of efforts should be demonopolized. However, we should use the positive traits, such as pursuing technical policy, organizing markets, and developing distributary ties. Thus, on the one hand, monopolists will not be able to dictate their prices for products, for instance sugar. It is clear that while processing costs make up 25 percent of the price for products manufactured by a modernized enterprise, processing costs at a "Tereshchenko-type" [sugar factory owner in prerevolutionary Russia] enterprise sometimes exceed 55 percent. On the other hand, an individual enterprise cannot afford to establish a leasing company. For such a company to function efficiently it is necessary to have at least 100 sugar beat farms and several processing factories which have common interests.

[Holovko] What if we add a couple of banks to that number? What is your attitude toward the creation of financial agro-industrial groups?

[Haydutskyy] This would be even better. I used to research into that issue as a scientist. We have certain examples, such as consortiums or agricultural banks. At present, the activities of the integrated agricultural and food manufacturing sector are of a seasonal nature. These activities give rise to financial seasons. Someone has to eliminate the gaps between the peaks of financial demand. If we unite all the parties, we will establish a certain technological line. Under conditions of financial crisis and nonpayments we lack funds for one-time advance payments to agricultural and processing enterprises. We need a system of installment payments. Banks can play a decisive role here, and I would like to point out that this will diminish the risk at the credit-issuance stage, as well as the stage of repaying those credits. Banks will be interested, and we will definitely arrive at establishing agro-financial groups.

[Holovko] There is a project envisioning agricultural machine building as a separate industry. Will this facilitate the creation of productive and reliable hardware for farmers?

[Haydutskyy] Perhaps we will set up a small coordinating and controlling body, which, at the initial stage, will not be comprised of all the producers of agricultural hardware. We will have to undertake active organizational measures, as well as economic ones, to engage all the other producers, as well. This should gradually produce a significant improvement in the material-technical base of agricultural machine building, especially in terms of quality. In the past, poor quality was envisioned as early as the initial stage, when low-quality metal was used for the production of agricultural hardware. Unfortunately, the former leadership of the Ministry of Machine Building believed it inexpedient to create a separate body engaged exclusively in manufacturing machines for farmers. I am sure that it was an erroneous approach, given that in the conversion stage, agricultural machine building, on the contrary, supports production and increases the number of contracts and jobs.

[Holovko] The European market of foodstuffs has already been formed. This places high requirements on domestic products. What is your vision of Ukraine's path to foreign markets, and not just European ones?

[Haydutskyy] First, we can enter Europe with sunflower oil. We are already doing this. Ukraine has geographic conditions that are most favorable for growing sunflowers. Therefore, nature itself determined Ukraine's specialization in growing that crop and producing oil. Who else if not us is capable of reclaiming that market?

Then, there is grain, although in this regard we should look to Eastern markets, those of CIS states. However, this is a very expansive market, which is unstable in terms of growing quality grain. Therefore, we have a broad field for activities aimed at meeting its demand.

Sugar is the third strategically important commodity. Unfortunately, we are not "natural" monopolists in that sphere, despite the fact that we have wonderful conditions for growing sugar beet. Yet, due to the inferior quality of processing and unsatisfactory growing technologies, Ukrainian sugar is uncompetitive. After we work on lowering production costs through the introduction of intensive growing and processing technologies (and thus dramatically increase the output of sugar) we will be able to penetrate potential markets in the CIS states. However, to accomplish this, the output of sugar should not be lower than 70 quintals per hectare. This will give us the opportunity to reduce production costs and, eventually, prices.

[Holovko] Do you regard as threatening the situation that has developed in the field of grain procurement for the state reserves? The commitments undertaken under the state contract have not been met; however, grain harvested by certain farms is already "flowing" to foreign markets....

[Haydutskyy] I think that nothing bad will happen, given that our producers are tied to the state by many mechanisms. Even if a certain portion of grain is sold, there is nothing frightening in this. On the contrary, we even legalized that process by an appropriate government resolution and clearly defined our position. To prevent a critical situation in provision of food to the population, the state has to possess 10 million tonnes of grain (if we

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

had enough money, even 12 million tonnes would come in handy). However, we are also interested in a situation when a certain volume of grain is sold on foreign markets, where producers can make enough money to allow them to resolve the issue of purchasing hardware, fertilizers, herbicides, and pesticides.

[Holovko] Very unpleasant processes have recently occurred in animal husbandry, which is an important sector of agriculture. What is the government doing to change the situation?

[Haydutskyy] If we look at the situation from the perspective of an economist, and not a farm animal husbandry technician or veterinarian, the processes that are under way in animal husbandry resemble those in processing industries. That is to say that "giants" are standing idle, while small workshops continue to appear and grow like mushrooms after the rain. Large animal feeding complexes do not have enough cattle, while the herd of cattle owned by the people continues to grow. The conclusion is that animal husbandry, just as processing industries, was totally overorganized. All this has produced giantism, a great concentration of cattle, separation from natural processes, and excessive concentration on labor.

Animal husbandry can be rescued by reform. I do not envision this process as ruination or disintegration; it should involve elementary structural reshaping. It is unusual to speak about such elevated matters as structural reshaping with regard to this popular sector. Everywhere in the world, animal husbandry is decentralized, especially dairy husbandry. Thus, I would not dramatize the situation, although it is complex. Incidentally, it can be compared to the processes occurring in domestic industries. That is to say, we are reaping the fruit of structural deformities. If a large animal husbandry complex can raise a large herd of cattle, it can only be praised. These kinds of complexes will continue to work. However, if they cannot afford raising large herds, then to avoid the shrinking of the head of cattle, the cattle should be given to individual owners, and thus, at least the population of individual rayons will not be hungry, as was the case in Ivano-Frankivsk Oblast's Verkhovynskyy rayon. All animal husbandry indicators in that rayon are better now than they were in 1990. The problem lies in how to process their products. We need separators, small milk processing plants, and mobile meat processing combines. Meanwhile, according to statistics, it looks as if the head of cattle has increased, but the output of products has dropped. It is not the owners' fault; it is our fault, because we did not create an appropriate infrastructure. A Hutsul [member of an ethnic group in the Carpathians] will not ship milk from the mountains to Ivano-Frankivsk for the Central Statistics Administration to register its sale!

[Holovko] Mr. Haydutskyy, it is hard to find a better argument than privatization. The Ukrainian president signed an edict recently on the procedure of sharing lands which belong to collective agricultural enterprises and organizations. You were among the authors of that document, which in fact legalized private land ownership. Will Mr. Haydutskyy enter Ukraine's history as a reformer-minister who managed to accomplish the observance of people's right to private land ownership?

[Haydutskyy] My stance regarding land reform is unambiguous. However, we need at least three years to implement it in full scale. Within that time, real owners will find real managers. All those who wish Ukraine well are interested in that, as well as those who are interested in establishing a market economy that would meet world standards.

Certain economic changes with regard to land, whose proprietary status remains unchanged, resemble relocation of pieces on a chess board. However, when structural changes involve property transformation they acquire a much deeper meaning. I mean that we can transform kolkhozes into collective agricultural enterprises or transform the latter into TOZ [?land cultivating associations].... However, if there are no property transformations there will be no efficient economic activities.

We do not regard land reform as an aim in itself. It is only a process aimed at bringing to life property transformations. One should not be afraid of it. Property transformations can be minimal. For instance, in Switzerland 0.3-0.5 percent of land changes owners annually. This is an extreme measure, which must be preceded by very efficient lease and mortgage proceeded. In Ukraine, too, we already have positive examples of primitive property transformations, when backward enterprises merge with stronger ones. In fact, shareholders choose better managers represented by directors of leading agricultural enterprises or corporations and go talk to them.

[Holovko] Finally, so that our readers do not think that their minister is a theoretician, were you born into a farming family?

[Haydutskyy] I know all kinds of agricultural work. My father used to work as a farm manager, and my sister and I only saw him on Sunday mornings. We would both be asleep when he went to work and when he came back. My mother was seriously ill. Therefore, it was my task to look after the cow and work the garden. Later, when I went to study, respect for labor — which I had been taught as a child — came in handy. Not only

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

do I know how to hammer a nail, I also know how to make a bucket.

[Holovko] Thank you for sincerity. I wish you success.

[Haydutskyy] Thank you very much.

Crimea Wants To Discuss Privatization Plans With Kiev

WS0609134195 Kiev INTELNEWS in English 0011 GMT 6 Sep 95

[By Lillia Budzhurova, "Special to INTELNEWS"]

[FBIS Transcribed Text] Simferopol, Sept. 5 — Now that Crimea has revoked a long-standing ban on privatization in the peninsula, its Parliament is anxious to discuss division of state property with Ukraine's central government in Kiev.

In a statement issued to Ukrainian Prime Minister Yevhen Marchuk, the Crimean Parliament Presidium on Tuesday expressed concern over disputes involving several state-owned resort areas and sanitariums. According to Suprunyuk [speaker of Crimean parliament], the Parliament is reviewing proposals on free economy status of Crimea, and ownership division between Crimea and Kiev.

"Ukraine is ready to work with us and is moving toward us," said Yevhen Suprunyuk, speaker of the Crimean Parliament. "As a result, serious and controversial property issues are being solved at the negotiating table."

Despite this positive assessment by its leader, a statement issued following Tuesday's Presidium meeting is critical of Kiev.

"Certain ministers of the (Ukrainian) Cabinet have passed decision contradicting the establishment of our relations," the statement said.

"The State Property Fund Chair was appointed without coordination with Crimean Parliament," it continued.

Particularly upsetting to Crimea, an area whose bread and butter comes from the tourist industry, are disputes over choice resorts.

"The Crimean property on several health and recreational centers is being transferred to Ukraine," the Presidium complained, citing as a specific example the Pivdenniy sanitarium, which was transferred to Ukrainian ownership by an Aug. 14 government resolution.

Suprunyuk said, however, that "the Ukrainian president and supports us. Leonid Kuchma has already vetoed the Aug. 14 government resolution."

Kharkov City Head on Economic Development Prospects

WS0509071095 Kharkov VREMYA in Russian 22 Aug 95 p 1

[Report by N. Toporkova on news conference held by Kharkov Oblast Administration head Oleksandr Maselskyy; place and date not given: "It Is Early To Speak About Economic Stabilization, but the Decline in Production Has Been Stopped"]

[FBIS Translated Text] The recent meeting of the Kharkov Oblast administration head with journalists took place on the eve of two holidays — Independence Day and the Day of Liberation of Kharkov. Since genuine state independence hinges first of all on a strong economy and cannot exist without it, the conversation concentrated on economic issues.

So, what are the good and bad things that the last year brought to us? The third subway line has become operational. "We worked very hard. If the work had been done as slowly as in the previous years," the state administration head noted, "we would have muddled around several years. In the present situation, however, we put the third line in operation in four months." We reconstructed the airport, which will be opened any day soon. The No. 15 brick plant is being built with intensive work. With more bricks produced, we will be able to come to grips with housing construction — one of the most acute problems today.

Kharkov residents have probably heard that when the clean-up measures were conducted [at the sewage facility] in Dikanevka, it was easier to meet the oblast executive committee chairman and all of his team at the accident site than in the office. The oblast administration head has now promised to move his office to construction sites. It stands to reason that the housing problem will not be resolved soon, primarlily because it calls for substantial funds. It is expected that money and efforts of clients will be mustered for this purpose. For example, the city and oblast Councils ordered 50,000 square meters of housing, respectively. Besides, we can rely on enterprises, institutions, and everyone who needs housing. It is also planned to engage the money of private persons. It is not clear, however, how it will be done in practice — will a new account will be set up or housing obligations issued?

The water supply system has been restored after the Dekanevka accident. But to protect the city from other such calamities, a plan to protect the Dekanevka hub is currently being devised. Generally speaking, the Kharkov water main and sewage network is pretty

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

wornout and requires radical overhaul, which, by the way, is being done.

Asked about cooperation prospects of Kharkov Oblast and other Ukrainian border oblasts with Russian border regions, Oleksandr Maselskyy said that it is a matter of interest for both sides, which have displayed a positive attitude toward this issue, but no tangible results have so far been achieved. At the initiative of chiefs of the border oblasts, a meeting of both countries' deputy prime ministers took place some time ago. They signed a particularly not promising agreement, if only because one of its key provisions on exchange of goods between the two sides was, on Russia's demand, changed to allow only goods made of local resources for such exchange. This certainly has considerably narrowed their range.

What has not been done and what has failed? Although the decline in production has been largely stopped, it is too early now to talk about economic stabilization. This applies to the entire country and our region in particular. One of the reasons for this is that we failed to make enterprises work. "We are now actively working on this," the oblast state administration head emphasized. A meeting was recently held at the Ukrainian Cabinet of Ministers. It was devoted to the possibility of manufacturing buses in Kharkov. This is a quite realistic prospect. Kharkov enterprises — the Malyshev plant, a leviathan of machine building, among them — are capable of producing practically all major units and components. The Malyshev plant is working on a program to manufacture bus rear axles and power units (so far, no one has made them simultaneously). One should not have to wait long to see our own buses and light trucks.

A strong and confident state should have a strong executive power in the first place. In the opinion of the governor, the recently adopted Law on Power dotted all the i's regarding the issue of division of responsibilities and powers; it is expected that a directive on executive power will be published that will incorporate the city authorities into the vertical system as well.

As no questions were asked about the country and region's political life, the oblast administration head himself asked the journalists whether they thought that people nowadays are still interested in political parties and movements. He received an explicitly negative reply. True enough, many of our compatriots are now trying simply to survive. In this situation, political activity is a rare thing. But it is not only that. Asked by a VREMYA correspondent what event he believed produced the strongest impact on our life last year, Oleksandr Maselskyy replied: "People's thinking has changed. They realized that to build their own lives in accordance with their notion of well-being, they must work and display initiative, without looking for an external enemy or hoping for someone else to fix all problems. You can only achieve something by working hard."

You spoke about the need to produce competitive products and prospects for accessing international markets. What products could our manufacturers offer in the immediate future, I asked the official after the press conference?

[Maselskyy] It is hard to say right away.... Obviously, primarily food products. We have virtually no food processing industry. It needs to be created. Add to this a good advertising campaign....

[Toporkova] Would such food products be ecologically clean?

[Maselskyy] Our agricultural products are already ecologically clean. We apply much less chemical fertilizers than farmers in the West. Our villages are located pretty far away from each other. It is a far cry from the West with its heavy concentration, which cannot but affect negatively the environment.

[Toporkova] There has been a lot of talk lately that foreign entrepreneurs and financiers have started to have more confidence in Ukraine, which creates good prospects for substantial investments. What do you think of the Kharkov region in this regard?

[Maselskyy] We do our best in this sphere. Why did we reconstruct the airport? To let our entrepreneurs meet their European counterparts so that they can come up with some mutually beneficial initiatives. Generally, they need to learn more about us to trust us. As a matter of fact, why do we think that everyone is supposed to know all about us? By far, not all in the West are aware of Ukraine's existence, and no one is aware of Kharkov. The more entrepreneurial and reliable partners we are, the sooner they will start to trust us. And then, we will have investments.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Belarus

Hryb Questions Possibility of Unification

LD0509162795 Moscow ITAR-TASS in English 1426 GMT 5 Sep 95

[By Larisa Lazar]

[FBIS Transcribed Text] Minsk, September 5 (ITAR-TASS) — Speaker of the Belarussian Parliament Mechyslaw Hryb has put into question a possibility of Belarus, Russia and Ukraine forming a new union in the near future.

Addressing a session of the Belarussian parliament today, Hryb said that he does not share recent statements about a possibility of political unification of Belarus with Russia and Ukraine on the basis of federation, confederation or something of the kind. "Apart from Russia's and Ukraine's consent, equal opportunities for the unification should be created as a minimum," Hryb said, adding that he could see no such prospects at present. "This road leads nowhere," Hryb said.

Speaker Criticizes President, Government

LD0509210195 Moscow INTERFAX in English 1440 GMT 5 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Belarussian parliament speaker Mechyslaw Hryb criticized the President and the government for attempts to make the legislative and judicial powers secondary, when addressing the opening fall session of the parliament in Minsk today.

He said, in particular, that the decrees of President Alyaksandr Lukashenka to correct the republican budget, fix bonuses for some officials, and suspend activities of trade union organizations run counter to the current legislation and the Constitution.

What is more, the state head "passed the parliament property under the control of the Presidential Administrative Department, and the cabinet stopped the parliament finance and payment of salaries to the deputies," said Hryb.

The speaker objected to the opinion of some republican leaders that Belarus is ready for political unification with Russia and Ukraine.

In his words, such hasty statements "lead to nowhere, and the population must not be misled by an alleged possibility to revive the former Soviet Union."

The speaker thinks that political unification must be accompanied with equal economic abilities. "A hasty decision may repeat the mistakes caused by the attempt to merge monetary systems," said Hryb.

TU Federation Holds Plenum, Appeals to Lukashenka

WS0609081895 Minsk Radio Minsk Network in Belarusian 0700 GMT 6 Sep 95

[FBIS Translated Text] The agreements on financial recovery of enterprises — reached at the negotiations between the government, the Employers Union, and Belarusian Trade Unions on 8 August — are being carried out inconsistently and not in a timely manner. This was stated at the plenum of the Belarusian Trade Union Federation held in Minsk yesterday. The plenum participants expressed concern about the development of the situation in the country. In the opinion of trade union activists, if industry does not come out of stagnation, manifestations of mass discontent of the working people could emerge.

The plenum adopted an appeal to the president to discuss the situation around the activities of the trade unions at a meeting he is to hold with the members of the Presidium of the Belarusian Trade Union Council.

The plenum also decided to hold the Second Congress of the Trade Union Federation in Minsk on 11-12 October.

Trade Union Leader Holds News Conference

WS0509104195 Minsk BELAPAN in English 0905 GMT 5 Sep 95

[FBIS Transcribed Text] Uladzimir Hancharyk, chairman of the Federation of Trade Unions of Belarus [FPSB] stated at the press conference that further strikes at Belarusian enterprises are possible.

According to Mr. Hancharyk, the main reasons for upheavals are not removed. Enterprises do not operate, mutual defaults of payment and debts in paying wages are observed. All this is a prerequisite for actions of protest. As far as the strike at the Minsk metro is concerned, Mr. Hancharyk noted expressing the point of view of the FPSB that even the most acute conflicts "should be resolved without prejudice to the legislation." According to him, "all violations with discharging the strikers should be removed. The discharged people should be resumed at work." Mr. Hancharyk stated that violation of rights of trade unions is intolerable. Commenting on the Presidential Decree "On Measures to Provide Stability, Law and Order in the Republic of Belarus," the FPSB leader stated that the document violates the Constitution, the Law on Trade Unions, and other laws. With this respect the Federation addressed to the president with a request to revise the contents of the decree and to meet representatives of trade unions to discuss the situation with trade unions and violations of the labor legislation. Only the Supreme Court may

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

prohibit the activity of a national trade union on the sanction of the Prosecutor General. The Law on Trade Unions does not admit prohibition of the activity of the national trade union by any other act. As far as "the stopping of the activity" is concerned, this kind of legal wording does not exist. According to Mr. Hancharyk, the president had a possibility to resolve the conflict at the metro. According to the Constitution, he could stop or postpone the strike for two months. Moreover, the possibility to submit the problem to arbitration was not used. Presidential decrees are issued within the competence of the president only on the basis of the law. According to Mr. Hancharyk, there is enough legal grounding to resolve conflicts. Primarily, the reasons for conflicts should be removed. Immediate measures should be undertaken to implement the governmental resolution on measures to improve the financial standing of enterprises. Otherwise, the situation will become worse. Actually, the situation is becoming worse every day. The GDP goes down. The incomes of 40 percent of the Belarusian people are under the level of poverty; the system of paying wages in rural regions is destroyed, most of enterprises do not pay wages for two months. Thus, the situation in the national economy directly influences all social conflicts.

Banks To Merge; State Will Retain Controlling Share

MM0609104395 Moscow IZVESTIYA in Russian 5 Sep 95

[AFI report: "Reorganization of Belarusian Savings Bank and 'Belarusbank' Begins" — from the "Financial IZVESTIYA" section p iii]

[FBIS Translated Text] The reorganization of the Belarusian State Savings Bank and "Belarusbank," one of the republic's leading commercial banks, will be completed no earlier than December 1995. Ye. Kupchyn, head of the Association of Commercial Banks of Belarus, disclosed that by edict of the republic's President Alyaksandr Lukashenka the two banks will be merged to form the joint-stock commercial "'Belarusbank' Savings Bank" with incorporation capital of around $35 million. The board and chairman of the new bank will be appointed directly by the president of Belarus, and the state, in the shape of the government, will hold a controlling share. Ye. Kupchyn also disclosed that major shareholders in "Belarusbank" support this idea.

National Bank Chairman Views Economic Reform

WS0609115895 Minsk BELORUSKAYA DELOVAYA GAZETA in Russian 28 Aug 95 p 10

["Primary tenets" of a report delivered by Belarusian National Bank Chairman Stanislaw Bahdankevich: "Economic Reform in Belarus: Situation, Aims, and Mechanisms" at an international seminar held in Grodno on 25-26 August; first paragraph is BELORUSKAYA DELOVAYA GAZETA introduction]

[FBIS Translated Excerpt] **A seminar "Economic Reform in a Postcommunist Society: East European Experience" organized by the Minsk-based Independent Institute of Socioeconomic and Political Research" and by the U. S. Center of International Private Enterprise was held in Grodno on 25-26 August. It was the fourth seminar which was held within the framework of the project entitled "Principles of Free Market Economy in Programs and Activities of Primary Belarusian Political and Economic Entities." Belarusian National Bank Chairman Stanislaw Bahdankevich submitted a report to this seminar. By kind consent of the seminars' organizers, we are publishing primary tenets of his report in our newspaper.**

Assessment of the Course of Reform in Belarus

A program of urgent measures to resolve the economic crisis in Belarus was approved almost a year ago. Its measures were arranged into four groups:

1. Opposition to inflation and bolstering of production activity based on the recovery of the financial system, money and credit relations, and on reform of the price system;

2. The stabilization of the rate of the Belarusian ruble based on the regulation of trade and payment balances and the development of foreign economic activities;

3. The resolving of the drop in production through ensuring manageability of production and market reform;

4. The reform of labor payments, incomes and employment policy, and of the social support system.

By the end of the first six months of 1995 — the date for completing the implementation of the program — neither of the groups was fulfilled in full.

The inflation rate was reduced to 3-5 percent monthly (5.2 percent in July). This, however, was achieved not due to the recovery of the financial system and the actual reforming of price formation, but rather due to monetary levers, to restricting the emission of credits, and to the positive impact of interest rates on deposits of legal and natural individuals.

Analogously-speaking, the stabilization of the Belarusian ruble does not have a reliable basis in the form of commodity backing and proportional trade and payment balances. Belarusian foreign debts have reached $1.92

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

billion and payments to Western creditors will amount to over $160 million in the immediate future.

Practically no serious measures to financially recover enterprises, to create conditions for increasing enterprises' working capital, and to find sources to independently finance their investment programs have been undertaken. Debts of enterprises which stood at 36.1 trillion rubles [R] on 1 July of this year, with loans amounting to R46.3 trillion, are increasing. Own enterprises' monetary assets make less than 5 percent of their loans; manufactured goods are sold irregularly. The monthly levels of economic profitability changed from 14.6 percent in January to 2.3 percent in April, and again to 13.5 percent in June.

The program of privatization and denationalization has proven to be a total failure. The problem of hopelessly unprofitable enterprises — their retooling, recovery, or closing down — is not resolved. Plans to support small and middle-sized businesses exist only on paper.

Taxation reform is perpetually postponed, and there is no any serious concept of its implementation.

The adoption of decisions to reform the systems of labor payments and of social protection of the people is delayed.

Hence, one can state that high echelons of power do not quite understand the reasons for the crisis of the Belarusian economy; they do not have specific, stage-by-stage objectives and tasks for economic development; they do not understand the new role of the state on macroeconomic and microeconomic levels. The populism of politicians and non-professionalism of leaders have led to marking time, to the useless waste of resources, and to the loss of time. Authorities do not understand the economic importance of private initiative and private entrepreneurship and prefer to utilize archaic methods of administrative management. Lumpen-populist practices have already come in conflict with the laws of economic development. The country needs a program of real reform.

Targeted Orientation of Reforms

The suppression of inflation to 3-5 percent annually, the achievement of a stable rate of economic growth (4-6 percent annually), the reduction in unemployment to a socially-admissible level, the increase in real annual incomes of the working people to $5,000-6,000, and the regulation of the payment balance of the country are strategic objectives. A middle-term program — for approximately five years — envisaging the specification and development of sectors that are promising for the country, the attraction of domestic and foreign investments to these sectors, and the creation of a civilized market environment based primarily on private property and on healthy competition should be developed to support these strategic objectives.

Immediate or short-term aims are as follows: to halt the economic decline; to normalize the financial state of the country (state budget), of enterprises, and of people's incomes [dokhodov naseleniya]; to reduce the monthly inflation rate to 1 percent; to stabilize the national currency; and to reduce the payment balance deficit to the minimum. A program for 1-1.5 years should be urgently drafted and adopted to implement these objectives. Its primary priorities should be the following:

1. To create legal, taxation, administrative, and psychological environments favorable to the development of, primarily, non-state enterprises; to implement the mechanism of financing and self-financing of long-term investments by accumulating the funds of people and enterprises — including foreign investors — through the securities market.

2. To change state enterprises into joint-stock companies; to solve problems of their own working capital and self-financing through monetary privatization and long-term credits via funds specially allocated for this program.

3. To restructure the agricultural sector and enterprises which process agricultural products by allocating plots of land and shares of property to those who work there; to ensure economic independence of this sector and of these enterprises from the state.

4. To create effectively functioning market institutions including markets for commodities, capital, foreign currency, and labor.

5. To upgrade the systems of self-financing and credits for housing construction, seen as a catalyst for economic revival.

6. To develop small and medium-sized businesses, particularly in the services and consumer goods sectors, and regard the latter as a means of quickly creating new jobs.

The implementation of a short-term program should lead to a stable macroeconomic situation in the country.

The primary mechanisms of reform are as follows:

— a rigid budgetary-taxation policy envisaging legal limits of GDP percentage for the following components:

a) budgetary expenditures;

b) subsidies and credits from the budget;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

c) budget deficit;

— a rigid limitation in the increase of money in circulation and of the size of allocated credits; support of real positive interest rates; allocation by the Belarusian National Bank's [NBB] of provisional credits to cover the budget deficit based on the basic interest rate of refinancing, with an (end of term) transition to covering this budget deficit through the issue of government securities; refusal to issue NBB's targeted credits, and transition to a market distribution of these credits through auctions;

— the development and implementation of planned programs for privatization envisaging the increase in the share of the non-state sector to no less than 50 percent of GDP by 1997, and the holding of voucher and monetary auctions on a monthly basis to sell state property;

— the legal granting of the right to own land to investors for industrial purposes and to members of collective and state farms — to which this land belongs — with the opportunity to make the land available to somebody else or to sell it. The government must suspend the policy of state protectionism, patronage, granting privileges and subsidies, as well as from administrative interference in the activities of state enterprises; they must be granted full independence in conditions of market competition, and the same forms of ownership for economic entities must be ensured. It is necessary to strengthen financial discipline and discipline of payments of all enterprises — without any exception — based on their full proprietary responsibility, envisaging bankruptcy and liquidation of enterprises through auction sales. Already in the immediate future, the state should begin to utilize a simplified principle of registering new enterprises with preservation of their licensed activities connected with the security of the state and the health of its citizens. It is also time to conduct the complete liberalization of prices (apart from prices set up by natural monopolies) and the liberalization of domestic and foreign trade (the annulment of quotas, licenses, unjustified tariffs and customs duties, and so on). It is necessary to seriously reform the taxation system to legally limit the upper boundary of income taxes to 30-35 percent of profits.

To reduce expenditure of the state budget, the system of pensions should be subject to reform: it should become independent from the state. In addition, the increase in labor payments should depend on the increase in profitability of enterprises and in labor productivity of workers, given that wages in subsidized enterprises are adjusted to average wages in the state budgetary sector.

Decentralization is also needed; market mechanisms should be used to finance the agrarian-industrial complex, including purchases of grain. Among other economic stabilization mechanisms, one should mention the following:

— strengthening of supervision over banks, insurance, investment, and financial companies, and over capital and currency markets;

— creation of mechanisms for restructuring banks which can barely settle their debts with the state sector; and approval of these mechanisms on the basis of market relations;

— creation of a large investment fund; development of specialized investment banks;

— reform of bodies which supervise state enterprises (supervisory councils, assessment figures [otsenochnyye pokazateli]), change of staff policy (competitive employment, retraining, and training);

— implementation of a flexible exchange rate policy aimed simultaneously at setting up foreign currency reserves (in the amount of imports over a three-month period) and at supporting profitability and competitiveness of Belarusian goods;

— the provision of necessary exemptions from the Belarus-Russian common system of exports and imports customs duties on goods that are not produced in Belarus. [passage omitted]

Moldova

PDAM Holds Extraordinary Congress on Economic Issues

AU0609072895 Chisinau BASAPRESS in English 2145 GMT 2 Sep 95

[FBIS Transcribed Text] Chisinau, 2/09/1995 (BASAPRESS) — In the sitting hall of the Trade Unions House in Chisinau the second extraordinary congress of the Moldovan Agrarian Democratic Party [PDAM] was held today. At this congress the governing party has reconfirmed the responsibilities for the entire spectrum of political and economic evolutions. The Agrarian Party further on claims the position of the most representative democratic formation, which are in possession of the necessary potential to decide upon the state policy.

The PDAM chairman, Dumitru Motpan, who presented the report, said the Agrarians "have managed to accomplish a great deal of the promises made during the parliamentary elections," "promotion of reforms being a priority." "We pronounced ourselves against the arbitrary methods, which would lead to the destruction of the technical-material base of the agricultural farms and this principle has determined the adoption of the law on amendments to the Land Code," Motpan declared,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

rejecting the allegations that the PDAM would like to re-establish the old collective farms. A proof that the reforms in agriculture are developing in the right direction is the assistance granted by the World Bank. This institution offered itself to grant a credit of $10-15 million for implementing a computerized system of recording the owners and the enterprises working in the agricultural sector, Motpan said. Despite the costs population has to pay for the promotion of reforms, the PDAM is determined to go ahead on this way. The leader of the governing party showed his dissatisfaction with the way the juridical reform was being performed, consequently an increase in corruption and fiscal evasions being registered. The report launched criticism at the parties which intend to deepen the economic crisis by a political one "so that they should try their luck in conditions of chaos." According to Motpan, "the tendency to remain in power acquires finer forms," and the leaving of PDAM by the 11 members of parliament was "an action planned in advance, synchronized with the initiative to change the state language name and the constitution of the presidential party."

"Regardless of the way this party interprets its position, its actions are destabilizing because they encourage the anti-constitutional forces," Motpan stated, pointing out that PDAM option drives Tiraspol away from the negotiations on the Dniester litigation. Motpan disapproved of PDAM's option for establishing the presidential republic regime with a two-chamber parliament, asserting that this shows the purpose of this party's leader to dismiss the parliament. The PDAM leader disapproved of "the attempts to draw again the attention on the state language name" as it is a new attack of the anti-Moldovan ideology. "How to call the language is related to the people's will," and the Constitution is a way of expressing the political will of the people, stated Motpan.

In the same context, Motpan made a reproach to the mass media and to the Moldovan TV for the ideological oscillations which puzzle the population. During the debates, the idea of holding a referendum on the name of the state language was supported and President Snegur's option to revise the constitution in favor of a presidential republic was disapproved of, pointing out "the danger of establishing the dictatorship." According to the report of the validation board, 273 delegates have been present at the congress out of the 286 elected at the conferences held in 38 districts and towns. 192 delegates are workers in agriculture and industry, 81 — intellectuals; 189 delegates are Moldovans, the other representing all ethnic minorities of Moldova, 214 of them have higher education, 24 delegates have scientific degrees; 234 deputies represent elective power bodies of different levels. Speaker Petru Lucinschi and Prime Minister Andrei Sangheli gave speeches at the congress.

Calls For Referendum on Language Name

AU0609074595 Chisinau INFOTAG in English 1930 GMT 4 Sep 95

[FBIS Transcribed Text] Chisinau, September 4 (INFOTAG) — The extraordinary second congress of the Agrarian Democratic Party of Moldova [PDAM] has approved of the initiative of a group of Parliament deputies "to consult with the people concerning the current wording of Articles 13 and 118 of the Constitution." The congress has recommended to the PDAM faction to raise this question in Parliament.

The congress adopted a resolution in which it blamed factionalism inside the party, and claimed as ungrounded the departure of 11 deputies from the PDAM Parliament faction. The faction was suggested to discuss in Parliament the question of revoking the deputy mandates of those who quitted the party, and "to elaborate a unified concept of state personnel policy which would include the selection, deployment, examination and control over civil servants as pertains to their strict observance of the Constitution and legislation in force."

The congress has adopted the PDAM Political Platform named "Moldova on the Eve of 21st Century," resolution "On Socio-Political Situation in the Republic of Moldova," and approved "The Message to Students."

PDAM's Popusoi Views Party's Congress

AU0509161195 Chisinau BASAPRESS in English 1930 GMT 2 Sep 95

[Interview with PDAM Executive Committee member Anatol Popusoi by unidentified correspondent; place and date not given: "Moldovan Agrarian Democratic Party Not To Introduce Essential Modifications in Its Program and Statute"]

[FBIS Transcribed Text] Chisinau 02/09/1995 (BASAPRESS) —

[BASAPRESS] What are the most important modifications to the program and statute of the Moldovan Agrarian Democratic Party [PDAM] and how do you explain them?

[Popusoi] The changes are dictated by experience and are not essential. We just adjust the basic documents of the PDAM to the everyday practice and international norms. According to the new articulation of the statute and program, the party's Council will be charged to change the structure and functions of the executive board. At the same time, it will have the right to make

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

changes in composition during current sessions, if such demands would appear from district sections.

[BASAPRESS] What is the state of spirit of the Agrarian Party's members? How do the accusations brought against you influence them?

[Popusoi] For the time being, a few are hesitating. But the largest share, owing to what happened lately, has grew more fond of our party. I think our party members and advocates will consolidate around this party in future, too.

[BASAPRESS] During the extraordinary congress you didn't look concerned about the forthcoming presidential elections. Are you sure of your success or do you think that it's not the moment yet to tackle this problem now or is it just something else here?

[Popusoi] We think it's too early. Our dear people were involved in preliminary parliamentary elections and in the local ones. It's time to roll up our sleeves and promote the reforms, to unite our country and then, in a year, we'll get closer to this problem.

[BASAPRESS] At the recent roundtable discussion PDAM chairman Dumitru Motpan stated that there's no governing party because only five ministers are members of the PDAM. Today we could hear this affirmation from the report of Mr. Motpan several times. Are you or not a ruling party?

[Popusoi] Usually a party is regarded as a ruling one when all office-holders are its members. We did not choose this way because we are democrats. We advanced the persons according to their abilities and professional level. That's why most officials who are in the government's composition are not members of our party.

Olaru on Cooperation With Other Parties

AU0509161295 Chisinau BASAPRESS in English 1930 GMT 2 Sep 95

[Interview with PDAM Executive Committee member Tudor Olaru by unidentified correspondent; place and date not given: "The Agrarian Party Will Cooperate With Other Parties"]

[FBIS Transcribed Text] Chisinau 02/09/1995 (BASAPRESS) —

[BASAPRESS] In an article published by PAMANT SI OAMENI (LAND AND PEOPLE) you showed your concern regarding the fact that the Agrarian Democratic Party of Moldova [PDAM] was about to lose its leading position in our political top. Did the preparations for the congress and debates dissipate this concern?

[Olaru] Those who talked were worried about the present situation our society faces and implicitly about the role our party performs in it. I think if we'll draw proper conclusions and make necessary steps, if we'll strengthen the positions from ideological and organizational points of view, the PDAM has chances to maintain the position you talked about.

[BASAPRESS] The report of the PDAM leader rejected the "self-styled centralism" in favour of cooperation with all those who are ready to accept the compromises. Is it a turn to the left, to political populism or to something else?

[Olaru] The speakers considered necessary to find methods of conciliation, to unite forces to solve our urgent problems. So that those who claim to belong to centrist parties have to do this. It's a point of view of our leader, accepted by the majority of the PDAM members. The criticism and mutual accusations are not welcome now.

[BASAPRESS] During the congress we heard too much criticism of the PDAM leadership. But who is responsible for the resignation of those 11 deputies from your party?

[Olaru] This question was discussed at a session of our leadership. This extraordinary congress is also a reaction to their behaviour. Because of working from election to election no permanent activity within our party can be seen. That's why we decided to strengthen the party's structures at all levels. As long as we work once in a while there is danger that this could happen again.

[BASAPRESS] Andrei Diaconu and you took part in the constitution conference of the Party of Revival and Conciliation. Was it a spying mission or did you renew your convictions?

[Olaru] Within my party, I'm responsible for the relations with the other parties, and, as you see, it was necessary for me to be present at the conference you mentioned. For the time being I'm determined to remain in the PDAM. In spite of all criticism of our party, I think it's possible to change the situation for better. I don't like everything that is discussed at this congress. Many speakers prepared their essays about the activity of other parties, but it would have been better if they to talked about our drawbacks, which in fact, are quite enough.

Motpan Outlines PDAM's Tasks

AU0609075895 Chisinau INFOTAG in English 1930 GMT 4 Sep 95

[FBIS Transcribed Text] Chisinau, September 4 (INFOTAG) — The ruling Agrarian Democratic Party of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Moldova (PDAM) held its extraordinary second congress last Saturday [2 September].

Observers have appraised it as an agrarian democrats' reply action against the first congress of the presidential Party of Revival and Conciliation (PRCM). Exteriorly, the PDAM congress looked much more modest: It was attended by 286 delegates, or three times less than at the PRCM congress, and was held not in the magnificent National Opera Theatre but in the conference hall of the Trade Union Federation's building. However, the PDAM congress looked incomparably more impressive in terms of high-ranked officials present, for it was attended by the Parliament chairman, prime minister, most ministers, and many leaders of local power bodies.

The main report entitled "On the Socio-Political Situation in the Republic, and Activization of PDAM's Work" was presented by party chairman Dumitru Motpan. Among agrarian's definite achievements he pointed out the adoption of the new constitution, Gagauz problem settlement, status negotiations with Dniester, Moldova's joining the Council of Europe, broadening of republic's international links, and halting economic recession.

"The social price of reforms is high, and their chief burden is carried by the population. But we cannot give up the reform course." Motpan said, having dismissed accusations that the PDAM is, allegedly, an anti-reform, anti-national and conservative force. Mr. Motpan outlined PDAM's tasks to do: more efficient activities of the party faction in the Parliament and closer cooperation with the government, adoption of the budget, determination of Dniester status, crime prevention, and intensification of ideological activities.

"Certain forces are seeking a political crisis to be added to the current economic hardships, so that to find their fortune in the chaos," Motpan believes.

He said, the departure of 11 Parliament members from the PDAM parliamentary faction had been planned long in advance, had coincided in time with Snegur's legislative initiative of re-naming the official language, and with setting up of the presidential party.

"Whatever the real intentions of Snegur might be, his present-day behaviour is a factor of political destabilization in the republic, and it is encouraging for anti-constitutional forces. The idea of accord, reflected in his party's name, is non-convincing. One cannot speak about a civic peace and simultaneously encourage confrontation. One cannot call for national revival and, at the same time, admit people to the party known for their amoral actions. What accord are they speaking about if their actions only aggravate the relationship with Dniester, and only remote the country's reintegration?" — Motpan questioned.

In his opinion, implementation of Snegur's proposition on making Moldova a presidential republic with a bicameral Parliament would "lead to Parliament dissolution."

The party leader has stressed that, in recent years, various creative unions, scientific establishments and the media "have been imposing the ideology of anti-Moldovanism aimed at discrediting Moldovans' values, and at depriving the people of their historic memory and the future. Nobody — even the Academy of Sciences — can deny a fact that the people have the right to call their language the way their ancestors used to call it — the Moldovan language," Motpan emphasized, having remarked that "a Constitution is not a collection of scientific truths but a form of expressing people's political will."

Departure of 11 Deputies Criticized

AU0609080095 Chisinau INFOTAG in English 1930 GMT 4 Sep 95

[FBIS Transcribed Text] Chisinau, September 4 (INFOTAG) — The extraordinary second congress of the Agrarian Democratic Party of Moldova [PDAM] has approved of the initiative of a group of Parliament deputies "to consult with the people concerning the current wording of Articles 13 and 118 of the Constitution." The congress has recommended to the PDAM faction to raise this question in Parliament.

The congress adopted a resolution in which it blamed factionalism inside the party, and claimed as ungrounded the departure of 11 deputies from the PDAM Parliament faction. The faction was suggested to discuss in Parliament the question of revoking the deputy mandates of those who quitted the party, and "to elaborate a unified concept of state personnel policy which would include the selection, deployment, examination and control over civil servants as pertains to their strict observance of the Constitution and legislation in force."

The congress has adopted the PDAM Political Platform named "Moldova on the Eve of 21st Century," resolution "On Socio-Political Situation in the Republic of Moldova," and approved "The Message to Students."

Sangheli Defends Government's Record

AU0609085095 Chisinau INFOTAG in English 1930 GMT 4 Sep 95

[FBIS Transcribed Text] Chisinau, September 4 (INFOTAG) — Moldovan Prime Minister Andrei Sangheli

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

has attributed the Snegur's Party of Revival and Conciliation [PRCM] to opponents to the ruling Agrarian Democratic Party [PDAM].

Speaking at last Saturday's PDAM Congress, Mr. Sangheli stated that "our opponents, including the new Party of Revival and Conciliation, are accusing us of halting the reforms... These opponents are conducting the reforms only through propaganda, and we implement the reforms into reality by shouldering the entire responsibility both for successes and for failures."

In Sangheli's estimates, in recent time Moldova has come to face a greater instability, public discontent, graver differences between various social layers and political parties. In such an environment, the government is seeking to pull the national economy out of crisis, to consolidate Moldova's statehood, sovereignty and international prestige.

The roots of chief hardships are in our recent time's political heritage — in reckless disruption of economic ties with traditional partners, in the armed conflict, in the inconsistent reforming made in previous several years, and in natural disasters, he said.

Currently, the government is achieving first successes in stabilizing the situation. Bank credit rate and inflation have been lowered. Privatization, the chief component of the economic reform, is gaining momentum. Each second Moldovan citizen, or 1,700 thousand people, have become co-owners of state-owned property worth 2 billion lei. Some 1,100 large and medium size enterprises have been privatized. The rate of output fall in industry has been reduced. By year-end, the agrarian production output will have grown by at least 10 percent. The government guarantees a stable food supply for the population next year. And in 1995, Moldovan exports have grown by 25 percent.

The reform process needs to be consolidated, the prime minister emphasized. Currently, the government is elaborating a programme to encourage the production sector in the post-privatization period. Several new laws will be soon submitted to the Parliament, including the 1996 Budget. The industry policy concept elaboration is close to completion. The State Creditors Council and the Enterprise Re-Structuring Agency have been established by the government which is now seeking to overcome the arrears crisis and is planning to repay wages and pension arrears.

As for the PDAM itself, Andrei Sangheli spoke for a substantial consolidation of party discipline and for broadening the party's social basis. In his belief, this would permit to avoid ideological hesitations in the party and in its leading echelon, and to do away with fractionalism in the PDAM.

"The so-called 'student' manifestations in Chisinau, most of which were organized under anti-constitutional slogans and inspired by certain Moldovan and foreign political forces, undermined Moldova's prestige and distracted Parliament and government's forces from solving life-important problems. The new wave of unionist tendencies has caused an extremely negative reaction in Dniester."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kazakhstan

Social Situation, Nazarbayev Power Viewed

954F3259A Moscow MOSKOVSKIY KOMSOMOLETS in Russian 24 Aug 95 p 2

[Article by Natalya Timakova, under the "The Land of CIS" rubric: "Apples Are Ripe in Nursultan's Orchard"]

[FBIS Translated Text] On the third day of my visit to Almaty, I went to the mountains. At a newspaper stand next to the bus station on the city outskirts, I saw MOSKOVSKIY KOMSOMOLETS. The only copy, a week old, lost among the local publications. I sacrificed 15 tenge to buy it. How unfair is the world! After all, MOSKOVSKIY KOMSOMOLETS is one of the few newspapers the republic President Nursultan Nazarbayev starts his morning with.

Nursultan Abishevich De Gaulle

The first president of Kazakhstan continues to climb more and more mountains, and not only political, but real ones too. For instance, he recently climbed the Abay Peak—to honor the 150-year anniversary of this famous Kazakh enlightener, philosopher, and poet. Surrounded by bodyguards and mountain climbers, the president rode in a Jeep convoy as far as the cars could go, after which he personally climbed the 4,000-meter peak. The conquest of the peak was marked by raising the state flag there. The president once again demonstrated to the people of Kazakhstan his excellent physical fitness. Sara Alpysovna also keeps up with her husband. She is an active follower of Porfiriy Ivanov's method, and every morning splashes herself with cold water from a mountain stream. Rumor is that in the home environment she tries to get Nursultan Abishevich himself to engage in this water exercise. This is on the subject of his athletic achievements.

Among Nazarbayev's major political achievements we should probably mention the April referendum (as a result of which his presidential authority has been extended to the year 2000) and the popular adoption of the new Constitution, which is expected on 30 August. By calling them "fateful," the Kazakhstani press does not at all exaggerate or flatter the current authority. Many of those with whom I talked said that political processes in Kazakhstan lag behind analogous processes in Russia by a year and a half or two—our Supreme Soviet was disbanded in 1993; here—only in April of this year. And the new Constitution we approved in 1993, while in Kazakhstan they are only about to do it now.

Nevertheless, what is currently happening in Kazakhstan is important for Russia too. And not only because in the past we were together, but also because the "velvet" reinforcement of personal authority in Kazakhstan may be emulated as an example by our top leadership, which is aware of the shadowy nature of its victory in the coming elections. It is not accidental that both the RF [Russian Federation] Constitutional Court Chairman Vladimir Tumanov and Deputy Prime Minister Oleg Soskovets had nothing but high praise for the new Kazakh Constitution, which essentially establishes a presidential dictatorship.

Commenting on the situation that has developed in Kazakhstan after the Constitutional Court found the current Supreme Council illegitimate, one of Kazakhstani politicians remarked: "In Russia, it took tanks to disband the parliament; here, one Tanya was enough." Journalist Tatyana Kvyatkovskaya right after the elections in April 1994 filed a complaint in a district court regarding violations in her electoral district. At the beginning of this year, the complaint made its way to the Constitutional Court—and suddenly, despite the fact that the talk about violations in the course of elections had been around for quite a while, the court invalidates their results, the legislative body is disbanded, and the date is immediately set for a referendum on extending the presidential powers of the current head of the executive branch without any elections.

Propaganda among the population was conducted by a full range of means. In the center of Almaty, a billboard was set up, which proclaimed in huge letters: "N. Nazarbayev has been, is, and will be," and below it, in small letters, added "for integration." And for educational work in oblasts, an old and tried method was dusted off: sending out propaganda sheets enumerating who should say what in support of the president. For instance, "a military serviceman's mother (ethnic background—Slavic, age 45-80)": "Under Nazarbayev, there has been no bloodshed or military conflicts in the republic. I do not know much about politics, but I constantly hear from many that Nazarbayev is well respected among the people." Besides her, positive appraisal of Nursultan Abishevich's work was to be expressed by "a physician, Ukrainian or Belarusian, 35-40 years old," "director corps representative S. Nauryzbayev" (ethnic background obvious from the name, and age apparently does not matter) and (what a sophisticated psychological move!) "a Russian citizen who wanted to leave" but now says: "There is not a single corner in the CIS countries these days where we would not feel a certain discomfort."

The KARAVAN newspaper's journalists sarcastically commented on this that the main problem is not to mix up the papers so that it would not go as in a famous skit of the stagnation era, where a man steps on the rostrum and suddenly begins to read: "Like all other

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

mother-heroines, I...." All these games cost a whopping 250 million tenge (about $4 million), but as a result Nazarbayev now has the presidential ID No. 1, valid until 1 December 2000. Which may not convey the privilege of a free ride on public transportation, but nevertheless does mean something.

So that the import of the presidential job should not cause any doubts, it was decided to draft and adopt a new constitution. When one reads it for the first time, one gets the impression that most of the attention is devoted to the chapters on the president, the government, and the parliament. While all other parts are mentioned only as an aside. Especially criticized, even in very loyal local newspapers, was the chapter on the president. It took as the basis the corresponding part of Charles de Gaulle's French Constitution, modified to take into account the local flavor.

The powers vested in Nazarbayev are truly limitless. He has the right to impose a state of emergency and martial law, while the only duty he has toward the parliament is to "immediately inform" it of his decision. The problem of a crisis of authority is dealt with easily and elegantly: If it has emerged as a result of "irreconcilable disagreement between houses of the parliament or between the parliament and other branches of authority," the president simply disbands the supreme legislative body. The only thing that could keep back Kazakhstan's transformation into a "constitutional dictatorship" is the immense personal accountability of the president and his subordination to a body capable of holding him accountable. But in the final draft the Constitutional Court was abolished, and a provision is made that "the president of the Republic of Kazakhstan is held liable for the actions committed while in office only in the event of treason...." The latter, however, is a crime that does not exist in the Criminal Code. "Strong executive authority" essentially turns into absolute authority.

And what about the current president himself? He expressed hope that his wish to support the draft of the new Basic Law is in the interests of all Kazakhstanis and that "the Constitution can open new opportunities for stable and consistent development of the country...." The only question is in what direction this country will be developing. It is only in mountain climbing that the movement is always upward.

Write 12, Carry 1,000

In order to understand how people live in Kazakhstan these days, you need to know how to divide by 12. Because 12 tenge "cost" 1,000 of our rubles [R]. Thus, it is easy to calculate that the minimum wage—280 tenge—equals approximately R23,000. True, the Kazakhstani Government issued a decree stipulating that a salary cannot amount to less than three minimum wages. That is, the real floor translates into R70,000. Obviously, one cannot live on this money. As on the R52,000 "minimum" in Russia, for that matter.

Prices also are easy to compare: Bread costs between 14 and 23 tenge, meat—120-200, eggs-45-55, milk—25 tenge per liter, sugar— 55, and potatoes—20-25. The average wage across the country is 4,861 tenge (approximately R400,000), and in rural areas—1,473 (about R120,000). The cost of municipal services is quite high. For instance, it costs 700 tenge to rent a three-room apartment.

The situation is exacerbated by the fact that production has been fully halted at 15 percent of country's enterprises, and inflation is restrained mainly by the fact that wages and pensions are held up for three to four months. Since the time of the introduction of the national currency, over a year and a half the standard of living in Kazakhstan has declined threefold as compared to Russia. At the same time, this did not slow down price rises, and now a 1,000-tenge banknote has already been put into circulation.

Against the background of the economic crisis, bankrupt enterprises are being briskly sold off to foreign companies. Western capital is also being actively brought in to develop mineral resources. Lately, however, Western investors have been complaining about the increasing number of organizations making decisions on the fate of joint projects. Quite obviously, the powers that be also want to get their percentage from the sell-off of republic resources. Very indicative in this respect was the recent scandal that flared up on the subject of selling the flagship of Kazakhstani metallurgy—the Karaganda Metallurgical Combine [Karmet]. The plans for transferring it into private ownership had been on the drawing board for quite a while. And initially they did not envisage participation of local capital. However, the Kazakhstani company Butya, together with the Austrian Voest-Alpine Intertrading, having learned of the upcoming tender, also decided to take part in the bidding. Their project was found to be the best, and the new owners enthusiastically began breathing new life into the dying giant. But no, wait! Two weeks had not passed before the government decided to transfer Karmet to two other foreign companies, saying that Butya had reneged on the agreement and did not invest within the first month the promised $20 million. And, despite protestations, it transferred the combine to an American and an Israeli company. The government's behavior resembles that of a bride who decides to leave her newlywed husband for another in the middle of the wedding night. Nobody was fazed even by the fact that both companies were foreign, which meant that much more profit would

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

be lost to abroad. Again, only KARAVAN cautiously suggested that there is only one explanation for such finicky behavior: Someone received from somebody a little more money than from others.

Russian capital also strives to take part in the division of the Kazakhstan pie: At the end of July a decision was approved to transfer the state block of shares of Karatau holding company, which has under its umbrella a host of chemical industry enterprises, to the trust management of AO [joint-stock society] Southern Fuel and Power Generation Company and AO LUKoil Oil Company. In addition, LUKoil participated in the creation of a joint Kazakhstani-Russian enterprises Kumkol—LUKoil, set up to develop a unique oil field with reserves of about 600 million barrels. And the future plans of the oil company, 42 percent of whose stock is owned by the RF Government, are not less grandiose: privatizing AO Yuzhneftegaz and AO Shimkentnefteorgsintez, as well as participating in the Kazakhstankaspiyshelf consortium.

And in general, economic relations with Russia entered a new phase after the problem of Kazakhstan's debt of $1.3 billion had been resolved in January of this year. According to the protocol, signed by Prime Minister Chernomyrdin and his Kazakhstani counterpart, Akezhan Qazhygeldin, Kazakhstan has been relieved from repaying the debt and loans incurred in 1991-1994, which will be applied toward Russia's lease on Baykonur, set at $115 million annually. The document got the Russian Ministry of Finance and GKI [State Committee for the Administration of State Property] seriously upset, but produced the opposite reaction in the RF Ministry of Defense and the official Almaty. Qazhygeldin even commented on the subject, something along the lines that it would be stupid not to take advantage of a free ride. Naturally, Russia cannot limit its interests in Kazakhstan only to the economy, because it has to remember its compatriots who found themselves in a foreign state.

The Disappearing Settlements

It is difficult to write about the state of interethnic relations in todays' Kazakhstan—for several reasons. First, the ethnic issue in itself is so delicate that any attempts to speak up on this subject may exacerbate the situation. Second, the situation there undoubtedly is less tense than, for instance, in Tajikistan or Uzbekistan. Third, the majority of the population are of the opinion that Kazakhstan is just about the only country among the former Soviet republics where all nationalistic manifestations are a thing of the past and the exodus of Russians is only the result of general instability.

In reality, the situation is as follows: Over the past two years, 810,000 persons moved out of the republic. In 1994 the Embassy of Russia in Kazakhstan registered 280,000 emigrants. The real figure undoubtedly is much higher—official authorities mention 480,000. Many simply sell their possessions and move to Russia to live with relatives, without bothering the official organs. Our embassy believes that only one in five or six emigrants goes through their channels. Over the first half of 1995, 117,000 persons left for Russia.

The main regions for resettlement are the Siberian oblasts, the North, the Far East, Kaliningrad Oblast, and Krasnodar Kray. People leave in different ways. Some get the status of "forced resettler" with a referral to a particular local migration service. These people are entitled to a loan for start-up costs, and tax benefits. Most, however, simply move to "nowhere," although "immigrants" are not welcome everywhere. Some even return—in 1995, according to Russian Embassy data, about 100 persons returned. Nevertheless, the flow of Russians leaving Kazakhstan is not receding. Workers and teachers leave, doctors and artists, the scientific-technical intelligentsia. The process is becoming irreversible: For instance, the outflow of teachers results in a shortage of personnel for Russian-language schools, which, in turn, automatically cuts down their number, although nobody can say that this is done intentionally.

Whole population centers are disappearing from the map of Kazakhstan. The population of the city of Kurchatov shrunk from 30,000 to 6,000, while a military settlement Chagan, whose residents serviced the kilometers-long landing strip for strategic bombers, simply ceased to exist. All that is left are empty homes with shattered windows and the decaying strip in the desert.

The main reasons for leaving are not new: economic instability, declining standard of living, children's future. Apparently, it is this "children's future" that probably is considered the expected consequence of the current ethnic policy of the Kazakhstani leadership. One of the main problems, of course, is the language. In the "old" Constitution, the Russian language was called the language of interethnic communication. In the draft of the new Basic Law, the state language is Kazakh. But in state organs Russian, is officially used along with the former. Why this concession, which is the way it is viewed by many zealots of the Kazakh language? There are several reasons. Let us not forget that despite all the changes in the ethnic composition of the republic in the direction of an increasing share of Kazakhs, the adult population (that is, the electorate) is predominantly comprised of members of other ethnic groups. And a smart politician, which Nazarbayev undoubtedly is, cannot disregard this. There are more subtle reasons

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

as well: the Russian language is an official language of the United Nations. What do you think: How much time will it take for the Kazakh language to earn such an honor too? Nevertheless, the thought that some day the language problem may become an interethnic one begets uncertainty in people and prompts them to start packing their suitcases.

Essentially, Kazakhstan—as well as Russia, for that matter—does not have a coherent ethnic policy. In the past, at least there had been unwritten but obeyed rules: For instance, a Kazakh minister had to have a Russian deputy. And vice versa. If we look at the composition of the top echelons of authority at the level of ministers, committee chairmen, and agency heads in 1995, however, we will see that 81.4 percent are members of the native ethnic group, and only 14 percent are Russian. Although only a year ago this ratio was 64.2 and 21 percent. Perhaps this is the reason that there are now many fewer nationalist overtones in official communications. It has long been known that he who has the power imposes the faith. Why cause the discontent of the international community by frank oppression of the nonnative population when the national policy is being defined and implemented through Kazakhs?

Another problem is the Cossacks. Despite the fact that the Almaty and Semirechye Cossacks are less politicized than their Russian brothers, the republic's official authorities are constantly putting the squeeze on them. The Cossacks are not permitted to hold their gatherings, wear weapons and uniforms. After our ambassador once addressed the Cossacks, the Russian Embassy received a note that Russia was interfering into Kazakhstan's internal affairs. While at the same time proposing to involve the Cossacks in the protection of state borders.

And what about Russia? Our authorities once again demonstrate indifference to the fate of our compatriots. The Duma still has not ratified either the treaty "On the Legal Status of Republic of Kazakhstan Citizens Permanently Living on the Territory of the Russian Federation, and RF Citizens Permanently Living on the Territory of the Republic of Kazakhstan," or the agreement "On a Simplified Procedure for Acquiring Citizenship by Republic of Kazakhstan Citizens Arriving for Permanent Residence in the Russian Federation and Russian Federation Citizens arriving for Permanent Residence in the Republic of Kazakhstan." Despite the fact that Russian diplomats need these documents like air—they not only simplify many procedures but also provide a tool for protecting the rights of Russians in Kazakhstan. By the way, the Kazakhstani side has ratified both acts long ago.

A "Transparent" Border: Instead of an Afterword

The IL-86 airplane arrived at Domodedovo from Almaty on schedule. Passengers happily rushed from their seats to the exit. And then the announcement on the radio said: Exit only through the front cabin ladder. To the puzzled questions from passengers, flight attendants only shrugged and said one word: "The border." My imagination immediately painted a picture: A border post hurriedly placed around the ladder, and next to them stand in attention brave border guards with dogs. Having steamed on the plane for about half an hour and finally descended the ladder, I felt disappointed: The "border" was represented by a sullen guy in camouflage fatigues, who paid no attention to the people descending the ladder. Or perhaps this is actually for the better?

Rumors About Kazhegeldin, Cabinet Persist

954F3267A Almaty NOVOYE POKOLENIYE in Russian 26 Aug 95 p 12

[Article by Bulat Rakhimbekov: "Rumors About the Possible Resignation of the Government Are Exaggerated, of Course, but..."]

[FBIS Translated Text] In the Almaty corridors of power there are persistent rumors about the possible resignation of A. Kazhegeldin's cabinet. He did not confirm the idle conjectures at a recent news conference, noting that he had normal business relations with the president. But the rumors are starting, in A. Kazhegeldin's opinion, because of the law of "cyclicity": The people have given the president their confidence—up to the year 2000 inclusive. There is no parliament and none is expected in the foreseeable future. The judicial power is essentially being reformed: In particular the Constitutional Court is seeing its last days. What is left? The government...

Since the prime minister did not categorically deny the suggestion about the resignation of the government not all doubts have been dispelled. Moreover they have increased—against the background of the referendum. After the actual split in the Constitutional Court, the "pacification" of the miners, and the neutralization of the opposition (one has to believe that the miraculous transformation of the poet O. Suleymenov into an ambassador is not the president's last "move") Nursultan Nazarbayev has practically no serious factors left that would keep him from receiving the sought-after 95 percent in the forthcoming elections... Therefore for independent analysts the result of the referendum is not interesting since it is obvious.

The Cabinet of Ministers is another matter. Here, as they say, variations are possible.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

A source from the president's inner circle who agreed to reflect on this not altogether safe topic, imposed two conditions: to protect his anonymity and to turn off the dictaphone. Still his view of today's political processes are of considerable interest—in spite of the fact that they are anonymous...

There are extremely good reasons to think that pressure is being exerted on the president by various groupings in his inner circle—in order to push "their" candidate. Two names are mentioned more frequently than others—Ambassador to Germany S. Tursunov and the head of Kostanay Oblast B. Tursumbayev...

Each candidate has his strong and weak points.

Saginbek Tokabayevich Tursunov is a clear embodiment of the foreign political doctrine of the sovereign state, which says "people do not learn to be diplomats, they are appointed"... Before he went to Bonn Mr. Tursunov hardly knew his perfect from his pluperfect (German verb tenses) and was not overly burdened by a knowledge of classical German literature. A report appeared in the press to the effect that the ambassador tries to use "nonbudget" sources of financing—such as subletting a part of the ambassadorial residence. The Ministry of Foreign Affairs did not organize the seminar to study advanced practice but it did not distance itself from it either...

In the post of prime minister Mr. Tursunov would try to take advantage of his German connections—it is no secret that German capital has not yet been really "drawn" into Kazakhstan. His Taldykorgan period also speaks in his favor: The governor did a great deal to make foreign capital, mainly Chinese, feel confident in the oblast... His weak side: Mr. Tursunov never had the time or opportunity to figure out the market transformations from inside; unlike the current prime minister, he is a market advocate, as it were, at the behest of the president. A person gets one view from the governor's chair and a different one from the office of a commercial structure.

Incidentally, it is much more important that with a change of leadership in the "house on the hill"—as the building in which the office of the head of the government is called—his political course remains inevitable [as published]. In any case under the second scenario.

In the second place, the same thing can be said very approximately. Baltash Moldabayevich Tursumbayev is distinguished by his independence—in thought and action. Possibly more so than the president would like. His plus is his knowledge of the corridors and mechanisms of power in the capital—the years he spent as deputy head of the government and minister of agriculture were not in vain...

At one time there were persistent rumors that it was because of his "bristliness" that Mr. Tursumbayev was kicked out of the capital political kitchen. If there were any grounds for those rumors the Kostonay governor undoubtedly learned his lessons—to his own advantage. And at the same time he was gaining valuable experience in governing one of the 19 provinces of the sovereign state. After the governor's chair nothing is frightening—be it Bonn or Berlin...

Mr. Tursumbayev's minus is that he came up outside the commercial structures and he broke himself of socialist thinking from above and not from within... But both candidates could be irreplaceable in the matter of moving the capital: S. Tursunov—because he lives in a country that had the courage to make this break with tradition. B. Tursumbayev because he is respected in the virgin land oblasts of Kazakhstan because he is a "southerner."

The ruling elite of the northern and central oblasts are afraid that the more enterprising and nationally oriented southerners will try to crowd them out of the cherished "circle" of power...

When dealing out the game of political solitaire, belonging to a particular clan or tribe is becoming less and less significant. Economic predilections are much more important. And in this sense it is strange to speak of the Kostanay governor as the new prime minister for he is extremely skeptical about the hide-and-seek game of the current government—the transfer of large companies to the management of foreign firms.

It is strange unless one takes into account one aspect: The "young wolves," the Kazakh capitalists headed by the richest and most popular of them, Bulat Abilov, of course, are annoyed by the fact that a "juicy morsel" was taken out from under their noses—Karmetkombinat. There are few who do not understand that Deputy Prime Minister V. Mette, on whom the Austrian Voest-Alpine recently tried to "pounce" supposedly for statements that maligned their image, is far from the main participant in the conflict. Incidentally, Akezhan Kazhegeldin does not conceal the fact that Vitaliy Mette was acting on his direct instructions... Does the president want to "hand over" the prime minister who quarreled with the "young wolves" of the "new generation"—the groups of the most respected and largest firms? This really is a secret that is carefully kept in the "house on the hill...".

One recalls how after the news conference when Nursultan Nazarbayev announced the new presidential "term" he invited all present to drink a glass of champagne.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bulat Abilov stood out from the idle brotherhood of journalists and the respected state bureaucrats—with his fine aristocratic face and his severe jacket and a bow tie. He was modest and dignified, but it was clear that he was already bored with the role of a guest...

But one cannot fail to take into account the fact that Prime Minister Kazhegeldin in a matter of nine months has been transformed into an extremely significant political figure. It would hardly be expedient to "sacrifice" this in preparing for the parliamentary elections. And since the wary politician Nursultan Nazarbayev understands this better than anyone else...

P.S. We have learned from a very well informed source that the rumors about the prime minister's possible resignation were indeed exaggerated. After the referendum the Cabinet of Ministers will resign in order to convene again immediately with a slightly updated membership.

Reasons For Chernyshev Beating Sought

954F3318A Moscow PRAVDA in Russian 29 Aug 95 p 1

[Report by Aleksandra Dokuchayeva: "The Opposition Is Getting Hit on the Head: How the 'Disagreeable' Are Removed in Kazakhstan"]

[FBIS Translated Text] Vladimir Chernyshev, former deputy of the Republic of Kazakhstan's Supreme Council, was brutally beaten by unknown persons at the entrance to his apartment building. This is the second assault on him. The first assault took place on 18 March, soon after the Supreme Council was disbanded. At the time, he was part of a group of deputies who actively protested the liquidation of the supreme representative authority in the republic. The investigation never found the perpetrators.

On 21 August at 1100, Chernyshev took an active part in a protest action against the illegal form of adopting the Constitution and its undemocratic substance. A group of antidictatorship bloc activists walked to the Lenin Square in front of the Supreme Council building and declared that they were beginning a hunger strike. The strikers were escorted to the Sovetskiy Rayon police department and, after a warning about the "illegal nature of the action," were released that evening. Shortly after 2000 Chernyshev was found in a pool of blood in front of the door to his house. Numerous injuries—a cracked skull, concussion, broken ribs, facial injuries, and a broken jaw— rule out the "accidental fall" version, which was officially put forward after the spring incident.

Chernyshev was brought to intensive care, and then let go home at the insistence of his relatives, who fear further harm under the guise of "medical" intervention. Immediately after the incident was reported, a group of police officers arrived at the site, among whom were officers still conducting investigation in the previous attack on Chernyshev, which hardly inspires hope that this crime will be solved soon.

There are several versions of what caused an assault on V. Chernyshev. People close to him see a certain connection with the case of Tanyrbergen Tokhtarov, whose job at the last Supreme Council was that of deputy chairman of the Control Chamber, of which V. Chernyshev also was a member. (It should be mentioned that the activities of the Control Chamber and serious violations it has uncovered in the sphere of the state administration of the economy, which were never made public, are mentioned as one of the reasons for disbanding both the first and the second Supreme Council). Last time the attack of Chernyshev took place exactly on the eve of T. Tokhtarov's arrest. This time it happened on the eve of the beginning of the trial of Tokhtarov, who is charged with a criminal offense—embezzlement of state property on an especially large scale, which carries a prison term up to 15 years or a death penalty. Such serious charges have been brought for allegedly illegally obtaining a state apartment in the capital. Jurists say that this is a strictly civil case. But the investigation took a hard line. Perhaps as a warning? Whatever the reason, Chernyshev, had he been in good health, would definitely appear at the trial. And, as the opinion goes, would be a witness of great inconvenience for the prosecution.

Another cause for the attack could be the former deputy's active opposition activities and his protests against the disbanding of the Supreme Council and, as a result, illegally stripping him of deputy powers. V. Chernyshev's statement on the eve of the 30 August referendum, which is supposed to approve the constitution, also ran in a sharp dissonance with official propaganda. Perhaps someone is very interested in silencing him for a while.

Status of Labor Market First Half of 1995

954F3260A Almaty DELOVAYA NEDELYA in Russian 25 Aug 95 p 6

[Article by Aytay Sarsembayev, deputy chairman of the State Committee on Statistics of the Republic of Kazakhstan: "On the Condition of the Labor Market in the Republic of Kazakhstan"]

[FBIS Translated Text] The situation in the republic's labor market is characterized on the one hand by a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

reduction of the demand for work force and on the other by a continuing structural lack of correspondence between the demand and supply of work force in the occupational-skill and sex-age aspects which prevents the filling of existing vacancies.

According to state statistical data, during the January-June period of this year, 626,000 workers, or every seventh one, left enterprises and organizations of the republic. Almost three-fourths of those who left did so of their own accord or were fired because of violations of labor discipline, and every eighth one was discharged because of staff cutbacks. About 432,000 workers were hired at these enterprises, or 194,300 less than the number who left. During the third quarter of this year it is intended to discharge 18,000 people and it is intended to hire 13,000.

During January-June of this year almost every fourth worker left construction organizations, trade, and public catering, every fifth or sixth worker left enterprises and organizations of industry, transportation, material and technical supply and sales, housing and municipal services, and others.

According to information from the Department of Employment of the Ministry of Labor of the Republic of Kazakhstan, during the first half of this year almost 159,000 people applied to employment centers in search of work. Most of them (98 percent) were able-bodied citizens who were not engaged in labor activity; two-thirds of them were individuals of the labor occupations; almost half were women; 42 percent were youth 16-29 years of age; and approximately every fourth one was discharged from a previous place of employment.

It should be noted that this year there has been a considerable reduction of the placement of citizens, especially women, in jobs through the employment service. Thus during the first half of this year they helped to place only 43,800 individuals or 27.6 percent of those who applied, including 17,600 women (22.4 percent), while during an analogous period of 1994 the percentage of job placement was 33.9 percent and 27.5 percent, respectively.

Problems with the placement of citizens in jobs have led to growth of the number of registered unemployed, the overall number of whom exceeded the 100,000 mark during the seven months. As of the beginning of August of this year, 98,300 people in the republic had the official status of unemployed, which is 1.8 times more than on the corresponding date in 1994.

Analysis of the composition of the unemployed showed that approximately two-thirds of them are women, every second one is a resident of a rural area, and almost half are youth. The mean measure of social protection of unemployed is still the payment of unemployment compensation: As of the beginning of August, it was received by 52,300 people or 53.2 percent of the unemployed. The rest were covered by other measures for social protection: They were being trained (retrained), recruited into paid public jobs, etc.

The situation with hidden unemployment remains strained. As of 1 August of this year, 204,000 workers were on administrative leave. The number of enterprises with part-time work increased: There were 401 of them with almost 110,000 workers. Because of full or partial shutdowns for reasons of an economic nature (lack of electric power, material resources, insolvency of consumers or clients, etc.) losses of work time according to the estimate for the month of July amounted to more than 1.8 million man-days, and in construction— 367,000 man-days.

Kyrgyzstan

Akayev Ready To Support Japanese Businesses

LD0509201495 Moscow INTERFAX in English 1708 GMT 5 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Askar Akayev told members of a Kyrgyz-Japanese economic cooperation committee in Bishkek on Tuesday [5 September] that Kyrgyzstan was ready to provide as good incentives as possible to attract Japanese business, little short of amending the country's legislation on foreign investment.

He spoke of being "very satisfied" at the state of bilateral relations, both dynamic and fruitful. Akayev said the formation of the committee opened up a new stage in bilateral relations with an accent made on partnership.

He praised Japan for contributing technologically and financially to the course of economic reforms in the country but also spoke of Bishkek's hope to become Japan's economic partner instead of seeing it as a mere donor country.

In this connection, Akayev pointed to the need for wider bilateral trade and Kyrgyzstan's plans to export rare earth metals and other raw materials needed by the Japanese industry.

He also spoke of Bishkek's interest in greater Japanese investment into the country's economy including sectors such as textiles and food processing, and microelectronics.

The president dwelt at length on government plans to update Bishkek airport with Japanese help saying the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

project was vital to Kyrgyzstan and hoping for Tokyo's full support.

He pledged the best possible incentives to Japanese business and legislative changes to this end.

For his part, Prime Minister Apas Dzhumagulov lauded the outcome of the commission meeting. He said there was an exchange, both businesslike and of substance, giving an opportunity to analyze what had been done in providing financial and technological aid and consultancy to Kyrgyzstan.

Dzhumagulov put the amount of this year's Japanese aid at about $70 million.

The two sides, he said, have examined the effectiveness of Japanese investment into the Kyrgyz economy and outlined ways of improving economic relations between the two countries. Dzhumagulov said investment plans for the next three years were presented to the Japanese side and priority directions of economic development outlined.

In an interview with INTERFAX, he said this also included the updating of Bishkek airport whose lack of appropriate infrastructures put up serious obstacles for the promotion of longer range contacts with Japan and other countries.

Among economic priorities, he pointed to the need for developing export-orientated businesses including the textile industry and banking reform with Japan already helping to implement it.

Dzhumagulov also spoke of Japan's willingness to cooperate in areas such as food processing, textiles and power generation.

He said the Japanese pointed to the need for an updating of the country's transport, communications and hotels.

Uzbekistan

OSCE Experts Arrive in Tashkent

LD0509191095 Moscow ITAR-TASS in English 1752 GMT 5 Sep 95

[By Vilor Niyazmatov]

[FBIS Transcribed Text] Tashkent, September 5 (ITAR-TASS) — Over 80 OSCE experts arrived in Uzbekistan on Tuesday [5 September] to prepare documents for a conference on security and cooperation in Central Asia due to be held in Tashkent on September 15.

The conference will be held at the level of foreign ministers and heads of international organisations, including the United Nations, the Organisation of the Islamic Conference and the Organisation for Security and Cooperation in Europe.

Uzbek President Islam Karimov proposed to convene such a conference at the 48th session of the U.N. General Assembly held in New York in 1993. The Uzbek leader's proposal was supported by heads of state of Central Asia and other countries, including Russia. The United States also backed the initiative of Uzbekistan and is expected to attend the conference.

The delegations of all members of the U.N. Security Council are expected to arrive in Tashkent.

'Readiness' To Expand Iran Relations Voiced

LD0609113595 Tehran IRNA in English 1031 GMT 6 Sep 95

[FBIS Transcribed Text] Moscow, Sept. 6, IRNA — Uzbek Deputy Prime Minister Yunus Rustamov [name as received] voiced his country's readiness to develop relations with the Islamic Republic of Iran and asked for the establishment of a joint commercial center in Bukhara as the main center for export and import of the two countries' goods.

The Uzbek deputy premier made the remarks in a meeting between Iranian Deputy Commerce Minister Masud Karbasiyan in Tashkent on Tuesday [5 September].

Karbasiyan is in Tashkent to make preparations for formation of Iran-Uzbekistan joint commission on economic, commercial and scientific cooperation in Tashkent.

During the meeting, the two sides agreed on transit of Uzbek goods via Iranian soil, provision of facilities needed for trucks travelling between the two states, and establishment of a branch of 'Bank Saderat of Iran' in Tashkent in the near future.

The Uzbek official expressed satisfaction with the progress made in formation of the joint commission and agreed to sign a document regarding joint ventures between the two countries.

Iran's Commerce Minister Yahya ol-Eshaq, as Iranian co-chairman of the joint commission will take part in its Thursday session.

The commission will review the grounds for bilateral cooperation in the fields of commerce, banking, transportation, communications, industry, and agriculture.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Armenia

OSCE Group Visits To Prepare Karabakh Monitoring Mission

NC0609053495 Yerevan SNARK in English 0229 GMT 5 Sep 95

[FBIS Transcribed Text] Yerevan, September 5 (SNARK) — The Organisation of Security and Co-operation in Europe (OSCE) plans to establish a permanent representation in the zone of the NKR [Nagorno-Karabakh Republic] conflict. For this reason an OSCE delegation headed by Andre Erdesh, special envoy of the OSCE Chairman and Deputy Secretary of State on Foreign Affairs, visited the conflict region early this September. Among the delegates was Ambassador on Conflict Settlement Stanislav Pshigodski with his assistants.

SNARK was informed by the Press Office of the Armenian President that after having visited Baku and Stepanakert, the delegation arrived in Yerevan where it was received by Armenia's President Levon Ter-Petrosyan. It was stated during the meeting that the permanent representation, the establishment of which Armenia had proposed many times, will make OSCE's peace keeping initiative more effective and will make it possible to get information straight from the conflict zone.

The two parties expressed hope that OSCE's representation in the conflict zone will enhance the process of political settlement of the conflict and will minimize the risk of military activities.

Ter-Petrosyan Talks With OSCE Officials

LD0509202195 Moscow INTERFAX in English 1706 GMT 5 Sep 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Levon Ter-Petrosyan has called for the post of a permanent OSCE envoy in Nagorno-Karabakh. He was speaking at a meeting with Hungary's State Secretary for Foreign Affairs Andre Erdosz and the OSCE chairman's envoy for Karabakh Stanislav Pzsygotsky of Poland in Yerevan on Monday [4 September].

IF NOTE: Pzsygotsky together with a five-member group is expected to help the OSCE chairman implement an agreement on ending the Karabakh conflict and set conditions for launching an OSCE operation for regional peacekeeping.

Petrosyan pointed to Yerevan's repeated calls for such a move hoping the OSCE permanent mission in the region would help towards a negotiated solution to the Karabakh conflict.

Unanimity was expressed about the need for a build up of diplomatic effort to try to settle the situation there. In this connection, some hopes are being laid upon the next round of tripartite talks by the OSCE Minsk group starting outside Moscow on Monday.

IF NOTE: The latest round involves Armenia, Azerbaijan, and Nagorno-Karabakh as well as Russia and Finland as co-chairmen of the Minsk group for the disputed enclave, and CIS observers.

The three parties are led by their vice foreign ministers, officials of the Russian foreign ministry told INTERFAX. Political advisors of the Armenian and Azeri presidents are also expected to take part.

The prospects of a framework political agreement, the future of Shusha Lachin and Nagorno-Karabakh are on the agenda.

The talks are not expected to end until Sunday.

President of the self-styled republic of Nagorno-Karabakh Robert Kocharian at an earlier meeting with Erdosz and Pzsygotsky had described the OSCE's plan to set up the post of a permanent envoy for the region as a useful and necessary step in the overall process of a regional settlement.

Kocharian also spoke of the need for consolidating the regional ceasefire agreement to allow key political issues to be discussed in "a calm and stable situation."

Bagratyan, Iranian Envoy Discuss Velayati Visit

NC0609120295 Yerevan NOYAN TAPAN in English 0922 GMT 6 Sep 95

[FBIS Transcribed Text] 06/09/95 NOYAN TAPAN—On September 5, Armenian Prime Minister Grant Bagratyan received Iranian ambassador to Armenia Reza Hamid Negar-Esfahani on the latter's request. According to the Armenian Government's press service, issues of fulfilling the Armenian-Iranian agreement signed in Tehran in May, in particular, electric line Iran-Armenia, main bridge of Meghri, the course of construction of the gas pipe line were discussed during the meeting. The sides discussed the forthcoming visit of Iranian Foreign Minister 'Ali Akbar Velayati to Armenia. It was reported that a trade-economic seminar of border provinces of Iran would be run in the middle of September and on October 2-9 the 21st international Tehran exhibition would work. Iranian ambassador handed official invitation to participate in the exhibition to the Armenian Prime Minister.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Azerbaijan

Defense Ministry Statement on Armenian 'Provocation'

NC0509211295 Baku TURAN in English 1535 GMT 4 Sep 95

["Statement of Defense Ministry of Azerbaijan"—TURAN headline]

[FBIS Transcribed Text] Baku/04.09.95/TURAN — Despite provocation committed by the Military Forces of Armenia the Defence Ministry of Azerbaijan intends to carry out the instructions of leadership of the country on cease-fire observance, says the statement of the Defence Ministry of Azerbaijan.

The Defence Ministry says that Armenia will bear responsibility for possible aggravation of the situation in the Azeri-Armenian front, where a cease-fire is observed more than 15 months.

The document says that on August 27th the military forces of Armenia supported by the military hard units [as received] made an attempt to attack in Kedabek region violating the Azerbaijani border. However, after return measures of the Azerbaijani Army , they had to return to their territories with serious losses.

At the same time five districts of Azerbaijan in the north-western borders and in the Autonomous Republic of Nakhichevan were subjected to the fire, says the Defence Ministry of Azerbaijan.

Azerbaijan reckons that Armenia intentionally tries to violate the peace process at the beginning of the next round of talks on the settlement of the conflict within the frameworks of the OSCE Minsk Group .

It also confirms the testimony of the military saboteur of Armenia Garun Mirzokhanian who was acting in the Kedabek district of Azerbaijan. The military office announces that he was caught in the territory of Kedabek on August 20, 1995.

Ministry Refutes Claim of Visit by Israeli Agents

NC0509212595 Baku TURAN in English 1535 GMT 4 Sep 95

[FBIS Transcribed Text] Baku/01.09.95/TURAN — Today press-service of the Ministry of National Security issued a statement refuting the information of Iranian agency about a group of 45 employees of Israeli Secret services which had arrived in Baku . The Iranian Embassy has stated that the group arrived for the purpose of improvement the activity of the security bodies of Azerbaijan.

That information was issued by IRNA agency on August 28. The same information noted that earlier a group of employees of secret services of Azerbaijan visited Tel Aviv confidentially.

The statement of the Ministry of National Security also reads that "Azerbaijan strives for co-operation with all secret services in the issues concerning terrorism, narcomafia and organised criminality." However, the information by IRNA misinterprets relations between secret services of Azerbaijan and Israel.

"Ministry of National Security states that the facts mentioned by IRNA are not true. Representatives of security bodies of Azerbaijan did not visit Tel Aviv, the delegation of secret services of Israel did not visit Baku," notes the information.

Distribution of such an information by IRNA agency causes the "bewilderment" of the Ministry of National Security. The Ministry supposes that "distribution of such an information does not correspond to the interests of both countries and to the development of friendly relations."

Communist Party Appeals Dissolution Decision

LD0509205995 Moscow INTERFAX in English 1733 GMT 5 Sep 95

[FBIS Transcribed Text] Moscow, Sept 5 (INTERFAX) — The Azeri Communist Party, facing dissolution based on last week's Supreme Court decision declaring it illegal, will seek a repeal of the decision "with all constitutional and lawful methods," Gennadiy Tretyakov, a party leader, told a news conference in Moscow Tuesday [5 September].

In his words, the party has appealed to the Azeri Supreme Court Chairman for the revision of its case.

The Azeri Supreme Court decided to liquidate the Azeri Communist Party because its declared striving for CIS integration and a renewed Union "encroaches on independence and territorial integrity of Azerbaijan."

An appeal of the Communist faction of the Russian State Duma has called on Commonwealth parliament deputies, the OSCE, the European Parliament and deputies of member-states of the Organization of the Islamic Conference "to support constitutional rights and freedoms of Azeri citizens, who are members of the Azeri Communist Party and share party ideas."

Russian communists estimated the verdict of the Azeri Supreme Court as "arbitrary rule and an outcrying violation of fundamental democratic rights and freedoms."

Under the Azeri Constitution, a decision to revise "the case of the Azeri Communist Party" can be taken by President Geydar Aliyev.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Officials Brief Sumgait Development Scheme

954F3295A Baku ZERKALO in Russian 26 Aug 95 No 31, p 5

[G. Kozlova article: "A Free Economic Zone Could Revive Sumgait's Industry: But the Unprecedented Project Would Require Enormous Investments"]

[FBIS Translated Text] The final agreement reached this week with the Azerbaijani Government on a project for the industrial development of Sumgait was the subject of a news conference at the Hyatt Regency hotel held by P. Lembeau, representative of the UN Development Program in Azerbaijan, and Prime Minister Fuad Guliyev.

As the representative of the UN Development Program declared, lacking the resources for the solution of a set of problems connected with the deterioration in the state of industrial facilities, the decline in production, and the deleterious influence on the environment, the republic government turned to this international organization for assistance.

Responding to the request, the UN Development Program has over a period of 10 months (from the first visit to the republic of G. Assaf, UNIDO representative in Azerbaijan) sponsored the work of a wide range of international and national experts, whose activity, according to P. Lembeau, was led by the president and coordinated by the prime minister.

The concept of the creation of a free economic zone, which is part of the plans for the global industrial reconstruction of Sumgait, according to P. Lembeau, provides for the creation of favorable economic conditions such as financial procedures and an expansion of the system of air, sea, and ground forms of transportation, warehouses and repositories, processing facilities, and industrial enterprises.

"Sumgait possesses, in the estimation of independent experts, enormous economic potential," P. Lembeau told the assembled diplomats and journalists, "which has been frozen owing to a number of circumstances. It could become a leading economic force at both the national and regional levels, which could complement the achievements of the oil sector. A very difficult task. Neither the UN Development Program nor the World Bank nor anyone by himself is capable of funding so global a project. But the process is already under way."

In his speech Fuad Guliyev, prime minister of the republic, observed that the initiative for the creation of a free economic zone in Sumgait came from the head of state. The main task of the project in question, according to him, is an improvement in the social life of the population of Azerbaijan.

According to him, the impending work on the creation of a free economic zone is unprecedented. Never before has a major industrial city been an object of the creation of a free economic zone. The main task is to create the conditions for the city's all-around development and to improve the economic situation there.

"A project coordination group is being formed in conjunction with the UN Development Program," the premier said. "We are well aware of the difficulties that will be encountered on the path of implementation, and the project will not be possible without the enlistment of intellectual, engineering, and political forces."

For the creation of the coordinating council, the government is inviting as full members countries with embassy representation in the country. Negotiations with the ambassadors of the United States, Britain, Germany, and Israel began immediately following the conclusion of the news conference. The prime minister did not rule out the possibility of the involvement in this process of Russia, as a traditional importer of raw material and market for the sale of the products of Sumgait.

It became clear from the answers to journalists' questions that the resuscitation of the Sumgait chemical complex alone will require no fewer than $3 billion.

P. Lembeau announced a scheduled November visit to the republic by a mission of 12 experts in various fields. They will conduct an analysis and determine the sectors of industry that require reform. The first meeting on this project will then be held.

But it should not be thought that work will begin any day now. "We have created a project for implementation of the project," the prime minister declared, answering journalists' questions on the timescale of its implementation. All will become clear during the March-April period of next year.

Georgia

Shevardnadze on 'Transport Corridor' to Uzbekistan

LD0509145895 Moscow INTERFAX in English 1238 GMT 5 Sep 95

[FBIS Transcribed Text] Tbilisi, Sept 5 (INTERFAX) — The transport corridor linking Uzbekistan with Georgia's Black Sea ports via Turkmenistan and Azerbaijan will start working in early 1996, the Georgian leader Eduard Shevardnadze told journalists Monday evening [4 September] upon his return from Tashkent.

On Monday Shevardnadze paid a one-day visit to Uzbekistan, where he conferred with President Islam Karimov.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"The alternative transport corridor" will not be detrimental to the interests of Russia, which ensures the delivery of Uzbek goods to Europe through its territory, Shevardnadze said. "This involves transportations of such great proportions, that there will be quite enough business for both Russia and Georgia," Shevardnadze noted.

With reference to some risk of higher tensions in Georgia Shevardnadze said that no one will be able to exert pressure on his will. "Nothing will be able to influence the processes of building Georgia's statehood, unless I am killed," he pointed out.

Shevardnadze on Elections, Abkhaz Settlement

LD0609105995 Moscow INTERFAX in English 1015 GMT 6 Sep 95

[FBIS Transcribed Text] Tbilisi, Sept 6 (INTERFAX) — Georgian leader Eduard Shevardnadze told INTERFAX in an exclusive interview that the forthcoming parliamentary and presidential elections will be well-organized, and held in a situation of stability and social responsibility.

He admitted that there were forces in the republic which would try to "stir up trouble". "But their political influence is so small, and they have discredited themselves so much that not a single sober-minded person will accept their participation in the competition for the right to run the state," said Shevardnadze.

"I am refering to the national-patriots, whose flurry of activity has shattered the country; to the politicized criminal groupings which have plundered the country as no conqueror has ever done, and to the Bolsheviks of all shades," he said.

He pointed out that those forces had exposed themselves as the authors of anti-social and anti-state plans. Speaking about the terrorist act against him on August 29, Shevardnadze said that on that day "the dark forces of evil, political intriguers and criminal groupings craving for power tried to put a barrier across the road to stability which they oppose." "Their time is past," he added.

In answer to the INTERFAX question about his most likely rival during the elections, he said hat he would welcome "anyone respected by the people who are confident that there is no alternative to democracy." "Otherwise Georgia will plunge into chaos and disintegration, and cease to exist," said Shevardnadze.

Speaking about the settlement of the Abkhazian problem, he said that "the current state of affairs cannot suit Georgia."

He also said that "the Abkhazian side has foiled the Moscow talks once again and destroyed yet another chance through its irresponsible conduct." He described it as a "challenge to Georgia, to Russia as the mediator of the talks, and to the international community." "The separatists have resorted to the tactic of procrastination, hoping that the elections in Moscow will bring to power the figures on whom Sukhumi is counting," he said. "I would like to warn them that they must not pin any hopes on this," he said.

He also said that Russia's Deputy Foreign Minister Boris Pastukhov had stated in clear terms recently that the return of the refugees must begin without delay or else Russia will take measures to rid it of responsibility.

"The term of the peacekeeping forces' presence in Abkhazia will expire at the end of the year. If the talks with the separatists do not bring the expected results, we shall have no other choice," he continued.

"I still adhere to peaceful settlement, but everything has not only a beginning but also an end," he said.

He said that during his official visit to Uzbekistan earlier this week, Uzbekistan President Islam Karimov "categorically condemned separatism in all forms and reaffirmed the CIS countries' determination to put an end to it."

It was stated in Tashkent that "separatism and extremism hamper business cooperation, political and economic integration and the broadening of relations between the newly-independent states at the most important stage of democratic development," said Shevardnadze.

He said that separatism was a common problem, not a problem facing one country. "Separatism must be condemned once and for all and subjected to general political ostracism," Shevardnadze said in conclusion.

Electoral Race Begins in Tbilisi 5 Sep

LD0509184795 Moscow ITAR-TASS in English 1552 GMT 5 Sep 95

[By Albert Kochetkov]

[FBIS Transcribed Text] Tbilisi, September 5 (ITAR-TASS) — September 5 starts the electoral race for presidency and parliament in Georgia.

The presidential and parliamentary elections are set for November 5.

The Georgian Justice Ministry has registered 114 political parties and groups running for the parliament.

Under the election law which was passed a few days ago, the parliament is elected on a proportional majority principle.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Head of state Eduard Shevardnadze is so far the unique candidate for presidency, but contesters are expected to show up.

Political parties are required to clear a five per cent hurdle to get parliamentary seats.

Local analysts forecast that the Union of Citizens of Georgia, the National Democratic Party, the Union of Georgian Traditionalists, the Republican Party, the United Communist Party and the Union of Reformers will easily get five per cent of votes.

Mkhedrioni Leader Ready To Run for Presidency

LD0509183995 Moscow INTERFAX in English 1549 GMT 5 Sep 95

[FBIS Transcribed Text] Tbilisi, Sept 5 (INTERFAX) — Leader of the Mkhedrioni paramilitary organization Jaba Ioseliani said that "in Georgia the Mkhedrioni has been the target of struggle for a long time."

Ioseliani said the explosion near the Georgian parliament's building in Tbilisi was just a pretext for leading the fight openly.

Ioseliani told reporters in Tbilisi today that "if there had been no 'incident' on August 29, some other event would have been used for the execution of the Mkhedrioni."

Ioseliani said his organization had voluntarily handed over weapons worth $5 million. He said police claims that ammunition depots had recently been seized from the Mkhedrioni were "total misinformation."

Ioseliani said he had agreed to run for the Georgian presidency at the suggestion of several political parties. He voiced the hope that he would win the presidential elections but stressed that "everything depends on the people."

Ioseliani said he believed that the Civic Union party led by Georgian leader Eduard Shevardnadze would not get a single parliamentary seat in the coming elections if the elections were not rigged.

Ioseliani told INTERFAX that the present authorities might launch any provocative action against him. He stressed that, nonetheless, he would defend his principles "whatever happens." Ioseliani said the only thing he sought was "to build the Georgian state without a dictator."

Security Chief Denies Service Disobeying Shevardnadze

LD0609082595 Moscow ITAR-TASS in English 0647 GMT 6 Sep 95

[By Tengiz Pachkoria]

[FBIS Transcribed Text] Tbilisi, September 6 (ITAR-TASS) — Reports alleging that Georgian units, which formerly belonged to the structure of Georgia's state security, disobey the Georgian head of state were denied on Tuesday by Chairman of Georgia's State Security Service, major-general Avtandil Ioseliani.

The matter concerns a paratrooper battalion, "Alpha" and "Omega" special task force units which on September 2, 1995 were subordinated to the Georgian Head of State in accordance with Shevarnadze's resolution. Ioseliani, who is acting head of the Georgian Security Service, told journalists that all the military units had accepted the news of their re-subordination with understanding.

Security Tightened Around Shevardnadze

LD0509190095 Moscow ITAR-TASS in English 1838 GMT 5 Sep 95

[By Albert Kochetkov]

[FBIS Transcribed Text] Tbilisi, September 5 (ITAR-TASS) — All passes allowing entry into the working residence of Georgian leader Eduard Shevardnadze were renewed at midday Tuesday [5 September].

This measure was part of a total overhaul of the security system around Shevardnadze, who narrowly escaped elimination in August 29 bomb attack.

Some 3,000 passes of different varieties had been earlier issued to permit entry into Shevardnadze's working residence which also serves as a venue of meetings of parliament, and accommodates offices of the presidential apparatus, several standing commissions and two scientific centres.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Estonia

Luxembourg Foreign Minister Arrives on Visit

LD0509212095 Tallinn Radio Tallinn Network in Estonian 1700 GMT 5 Sep 95

[FBIS Translated Text] Luxembourg Foreign Minister Jacques Poos arrived on a two-day official visit to Estonia this evening. Tomorrow he will be meeting Estonian President Lennart Meri and Foreign Minister Riivo Sinijarv. The Luxembourg foreign minister intends to discuss various issues: Estonian-Russian relations, the European Union, and Chechnya.

The Luxembourg foreign minister is the first Luxembourg state official of such prominence to visit Estonia.

Vahi Wants Increased Defense Expenditure

LD0509154095 Tallinn Radio Tallinn Network in Estonian 1500 GMT 5 Sep 95

[FBIS Translated Text] Estonia will continue to aspire towards NATO [membership] despite threats from Russian officials. The Estonian Government intends to protect Estonia from crude political attacks, Prime Minister Tiit Vahi said to journalists today.

Over the past few days Russian politicians have threatened Estonia directly with force on several occasions. Sergey Krylov, Russian deputy foreign minister, made a statement on 2 September saying that Russia categorically opposes the Baltic countries becoming full NATO members and is prepared to prevent this by military means.

It is particularly reprehensible that statements like this are made by a politician who is currently in office, Prime Minister Tiit Vahi noted.

Foreign Minister Riivo Sinijarv who has viewed Krylov's statement as extremely regrettable noted that Russia is behaving along the patterns of the former USSR. Should such threats be accompanied by evidence of actual preparations, Estonia must naturally resort to measures on its part, Sinijarv said. Sinijarv added that concentration of troops near the border also amounts to a threat by force and is in conflict with the Treaty on Conventional Forces in Europe.

Prime Minister Vahi emphasized that Estonia must seriously engage in consolidating its security and more money should be set aside to this end, for state defence, from next year's budget.

Vahi: Estonia Does Not Want Nuclear Weapons

LD0509220795 Moscow INTERFAX in English 1948 GMT 5 Sep 95

[FBIS Transcribed Text] TALLINN, Sept 5 (INTERFAX) — Estonian Prime Minister Tiit Vahi says his country does not want nuclear weapons stationed on its soil if Estonia joins NATO.

He told INTERFAX Tuesday [5 September] that Estonia wants to join NATO to improve its defenses, not to threaten anybody. For this reason stationing weapons which would attract still greater dangers is undesirable. Estonia will not ask for nuclear weapons on its soil and "we would be happy if Russia, too, moved its nuclear weapons as far away from our borders as possible. We've had enough of nuclear weapons and nuclear contamination, in particular by the Russian submarine training center in Paldiski," said Vahi.

He did not rule out the possibility that the issue of Estonia joining NATO will be decided in a referendum when the time is right.

Vahi regretted the statement, made by Russian Deputy Foreign Minister Sergey Krylov, that Russia might move more troops to the border if Estonia joins NATO. Vahi feels that Russian statesmen have threatened Estonia directly or indirectly on numerous occasions recently but this time the threat was articulated by a government official.

Vahi said that Estonia will have to step up its security, and in particular increase its defense spending.

Latvia

Luxembourg Foreign Minister Poos on 2-Day Visit

WS0509125495 Riga LETA in English 0917 GMT 5 Sep 95

[FBIS Transcribed Text] Riga, September 5, LETA — On Monday, September 4, the Minister of Foreign Affairs of Luxembourg Jacques Poos arrived in Latvia on an official visit. Foreign Affairs Minister Poss will have meetings with Latvia's Prime Minister Maris Gailis, and Foreign Affais Minister Valdis Birkavs. Discussions will focus on trade contacts and regional security and development issues.

Foreign Ministers Discuss Cooperation

LD0509164495 Riga Radio Riga Network in Latvian 1301 GMT 5 Sep 95

[FBIS Translated Text] Jacques Poos, the foreign minister of the Grand Duchy of Luxembourg, who arrived in Latvia yesterday on a two-day official visit, today

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

met Prime Minister Maris Gailis and Foreign Minister Valdis Birkavs. Issues of economic cooperation between the two countries, problems of European and regional security, and cooperation between Latvia and Luxembourg in international organizations were discussed during the talks.

A news conference was held after the talks, at which Foreign Minister Valdis Birkavs and Jacques Poos closer acquainted the audience with relations between the two countries.

[Begin Birkavs recording] We share very close relations with Luxembourg. In the 1990s, when Luxembourg was a presiding state of the European Union, it was Luxembourg who, as a presiding state of the European Union, expressed its firm stance on the issue of Baltic independence. In 1992, at the initial stage of our reforms, Jacques Santer, the then prime minister of Luxembourg, who is now the president of the European Union, visited our country. In 1994, it was in Luxembourg where we signed the agreement on associated partnership with the Western European Union. In 1995, it was in Luxembourg where we signed the agreement on associated membership in Europe. In 1997, Luxembourg will again be a presiding state. For Latvia that will again be a decisive moment for developing closer ties and starting talks on the full member status.

I would like to stress another significant feature of Luxembourg. There are 200 banks and 1,800 investment institutions in the small state of Luxembourg. I would like to say that Latvia has to do everything possible to enable us to achieve the situation that there is in Luxembourg — that is the irreproachable reputation of confidential guarantees and security of deposits. [end recording]

That was Valdis Birkavs. The Luxembourg foreign minister in his speech supported the integration strategy into international organizations chosen by Latvia and the search for security of the country and the region.

Jacques Poos stressed that in the current situation Latvia has no other choice than to do everything in order to meet the European Union's requirements and become its full member as soon as possible.

Poos Says Latvia Not Ready To Join EU

LD0509164695 Riga Radio Riga Network in Latvian 1400 GMT 5 Sep 95

[FBIS Translated Text] Luxembourg supports the integration of the Baltic states, including Latvia, into the European Union, Jacques Poos, the foreign minister of Luxembourg, said at a news conference today. However, he admitted that, similarly to other Eastern and Central European countries, Latvia was not yet ready to become part of the common European market and compete with member states of the European Union.

At the moment it is important for Latvia to participate in the creation of the system of regional security and to cooperate with other Baltic states. Poos mentioned good-neighborly relations with Russia as particularly important for Latvia's future.

Danish Officials Discuss Military Cooperation

LD0509224595 Riga Radio Riga Network in Latvian 1900 GMT 5 Sep 95

[FBIS Translated Text] Representatives of the leadership of the Defense Ministries, the Armed Forces' staffs, and subunits of the Baltic states and Denmark began talks in Riga today to discuss possibilities of military cooperation.

During bilateral talks, which will continue until Thursday [7 September], Latvian and Danish representatives will discuss the problems of regional security, the internal political situation in Latvia, and our country's integration into NATO and the Partnership for Peace program. Prospects for development of the national Armed Forces and the Latvian platoon's participation in peacekeeping operations in former Yugoslavia as part of the Danish battalion will also be discussed.

Talks With Canadian Foreign Minister Detailed

WS0509132295 Riga LETA in English 0917 GMT 5 Sep 95

[FBIS Transcribed Text] Riga, September 5, LETA — The Minister of Foreign Affairs of Canada Andre Ouellet, and his Latvian counterpart Valdis Birkavs, expressed satisfaction with the talks between them on Monday, September 4, in Riga. Mr. Birkavs told the press that agreements had been reached on Canadian aid to Latvia in the numerous areas, including language instruction and clean-up of the environment on the former Soviet military bases in Latvia.

The ministers had discussed various issues concerning expanding NATO membership, the UN, GATT, and the World Trade Organization. Mr. Ouellet told the press that Canada does not wish the expansion of NATO to become a reason for instability. It is therefore very important to convince Russia that any steps to expand NATO membership are not a threat to Russia. Mr. Ouellet mentioned the need for a special relationship between Russia and NATO. He welcomed Latvia's participation in the Partnership for Peace Program. While criteria for new membership in NATO are not yet available, Mr. Ouellet mentioned that the main requirements

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

will be free national elections, a market economy, and the observance of the human rights of all inhabitants. The Canadian Foreign Minister placed military considerations last in the list of membership criteria, however participation in the Partnership Program is essential.

Latvia has suggested a number of possible investment opportunities and asked for Canadian aid in preparing suitable passports for resident of Latvia who are non-citizens. The opening of a Canadian Investment Advisory Service in Riga was recommended.

The main topics of discussion between Mr. Ouellet and Latvia's Prime Minister Maris Gailis were Canadian investments in Latvia, trade with Latvia, and aid programs. Canada has already granted Latvia 6.4 million dollars to help clean the environmental mess left at the defunct Soviet military bases. Other topics included possibilities of cooperation to control international organized crime and developing a computer network to oversee international trade.

Prime Minister Gailis thanked Canada for its support in the process of evacuating Russian military forces from the Baltics and noted that Canada was the first of the G-7 nations to renew its diplomatic ties with Latvia.

Minister Ouellet recognised Latvia's political and economic achievements and expressed the hope the both nations will continue to develop their relationship.

The press service of the office of the President of Latvia infomed that Latvia's President Guntis Ulmanis received the Andre Ouellet, Minister of Foreign Affairs of Canada. The two statesmen considered the problems of Latvia's economy, Canadian-Latvian joint projects, and Latvia's aspirations to join the EU, WTO, and NATO.

Concerning NATO, Mr. Ouellet noted that Canada's Prime Minister Jean Chretien has expressed his support for the expansion of NATO. The Canadian Foreign Affairs Minister emhasized that if the economic, political, and military systems of an East European nations conform to NATO requirements there should be no limitations on granting membership status in NATO. He also said that Canada would support Latvia's moves towards the EU and WTO.

According to Mr. Ouellet, Canada had never recognized the inclusion of Latvia into the Soviet Union and after Latvia regained independence Canada has provided practical aid to Latvia. President Ulmanis emphasized the need to continue the process of cooperation. The President said that Canadian support in the development of Latvia's agriculture and forestry would be very important.

During a press conference the Minister of Foreign Affairs of Canada announced that the Governor General of Canada had agreed to the appointment of Georgs Andrejevs, a former Minister of Foreign Affairs of Latvia, to the post of Ambassador of Latvia to Canada.

Security Council Discusses Participation in PFP

LD0509204395 Riga Radio Riga Network in Latvian 1700 GMT 4 Sep 95

[FBIS Translated Text] Members of the Latvian National Security Council today listened to a report by Juris Eihmanis, the acting commander of the National Armed Forces, and Foreign Minister Valdis Birkavs on Latvia's future participation in the NATO Partnership for Peace [PFP] program, taking into account considerably reduced financing. It was stressed that the PFP program is one of the primary forms of cooperation between Latvia and NATO. Eihmanis was instructed to draft proposals on Latvia's future participation in the PFP program stating financing needed for that.

By 7 September, the leadership of the Office of the Latvian Prosecutor General and the Interior Ministry also have to work out a draft resolution for submission to the National Security Council on the future work of the staff of the former State Security Committee in state institutions, mainly in ministries.

Lithuania

Brazauskas: Relations With Russia Are Normal

LD0509210495 Moscow ITAR-TASS in English 1713 GMT 5 Sep 95

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS, September 5 (ITAR-TASS) — "Russia, our neighbour, is a vast, rich and influential country, and Lithuania's relations with Russia in every area should be normal and are, essentially, normal," Lithuanian President Algirdas Brazauskas said in an exclusive interview with ITAR-TASS on Tuesday [5 September].

At the same time, the Lithuanian president noted that "there are nuances, unsolved problems." The negotiations regarding the border with the Kaliningrad region have not been completed. "I don't see why the Russian side has halted the negotiating process," the president said. "Lithuania has already fixed state frontiers with all its neighbours, except, with Russia." In this connection Brazauskas welcomed the effort of Russian leaders at granting a specific status in the economic area to the Kaliningrad region.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Asked by ITAR-TASS if he plans to visit Moscow or if President Boris Yeltsin is expected in Lithuania, Brazauskas said "I am waiting for Russia's response. I think we would be glad to welcome President Yeltsin in Lithuania and would give him much attention. I could also visit Russia, the more so since I only visited Moscow once and stayed there less than 24 hours in more than two and a half years as Lithuanian President."

Defense Minister Cited on Cooperative Defense

LD0509174095 Vilnius Radio Vilnius Network in Lithuanian 1320 GMT 5 Sep 95

[FBIS Translated Excerpt] All the candidates for NATO membership cannot not be accepted at the same time, National Defense Minister Linas Linkevicius said at a news conference held at the National Defense Ministry. Apart from other issues, the past and upcoming visits, and the concept of Lithuania's defense were also touched upon at the conference. Here is Arturas Matuzas with some other details from the conference.

[Matuzas] Defense Minister Linas Linkevicius began his news conference by reporting that 15 delegations had already visited the Defense Ministry in August, that three meetings were held at the highest level, and that defense ministers of Norway, Poland, and Germany had visited Lithuania.

According to the minister, each such visit brings some benefit to the country's defense system. For example, that it was agreed with the Polish defense minister to start the construction of seven radar stations next year that will considerably enhance airspace control in Lithuania.

Speaking about the near-future plans, Linkevicius said that from 11-16 September, Partnership for Peace program exercises will be held in Nemencine town near Vilnius, during which a nuclear disaster will be simulated. Servicemen from 29 states are expected to take part in the exercises that will be led by the U.S. representatives. [passage omitted]

Asked about the capability of our military force in case of aggression, Linkevicius answered:

[Begin Linkevicius recording] Our country cannot fight off any possible aggression on its own if such aggression arose. I am not speaking about diplomatic means that should avert such an aggression, and to this effect all our efforts should be directed. All the prevention work: setting up the minimum but indispensable military forces, integration into the European structures — this all is done to avoid aggression or a provocation. However, if this did happen, then of course our country on its own will not be able to do much, therefore, all defense should be carried out collectively.

I can say that the very process of integration into the European security structures is already a certain factor that will help us to avoid this, shall I say, misfortune. [passage omitted] [end recording]

[Matuzas] The education of the ministry staff members was also touched upon at the news conference. The minister said that at present 35 officials from the Lithuanian National Defense system were studying at higher military schools abroad. In the nearest future, 10 more officers will be sent to study at prestigious U.S. military schools. The minister recalled that during the five years of the ministry's existence about 300 officers were sent abroad to study languages or military science there. [passage omitted]

Christian Democrats, Conservatives To Cooperate

LD0509145495 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 5 Sep 95

[FBIS Translated Text] Two major Lithuanian opposition parties agreed to aspire jointly for the improvement of the status of Lithuania and for the consistent integration of the country into the European Union, a communique made public yesterday by the leadership of the Lithuanian Christian Democratic Party and the Homeland Union-Lithuanian Conservatives reads. It was signed by Povilas Katilius and Vytautas Landsbergis, the chairmen of these parties.

Having discussed prospects for the democratic development of Lithuania following the rule of the Lithuanian Democratic Labor Party [LDLP], which was detrimental to the country, the opposition parties have envisaged a possibility — if the results of the parliamentary elections next year are favorable — to initiate a wider coalition of democratic political parties.

However, the possibility of a coalition with the LDLP or its satellites was rejected in the communique.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 368
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.